

WARTIME
GOVERNMENT
IN OPERATION



(Frontispiece)

UNCLE SAM OUGHT TO KNOW HOW TO DO IT

WARTIME GOVERNMENT IN OPERATION

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To
T. W. SCHULTZ
for

HIS INSPIRING AND VIGOROUS LEADERSHIP,
HIS FRIENDLY COUNSEL, HIS BREADTH OF
VISION AND HIS DEVOTION TO UNBIASED
SCHOLARSHIP AND THE GENERAL WELFARE

Preface

Democracy is on trial today. To say so may already sound a bit commonplace. Nevertheless, we believe it is true—so true that we have chosen to tackle current problems of government in as concrete a way as possible, making the best judgments of which we are capable but recognizing how poor our perspective may prove to have been when these problems are subjected to more reflective and thorough-going analysis at some future date.

We have tried, however, to do much more than merely express our own considered opinions. We have attempted to go behind recent wartime government policies, analysing the governmental framework within which these policies have been formulated and administered. In so doing, we hope above all that we have provided sufficient basic principles and factual material to arouse a keener interest on the part of the reader (be he private citizen or public servant) in his government and to help him to make up his own mind on current issues so crucial to the future of the democratic way of life. If we succeed in this effort, the advantages of timeliness and concreteness (as compared with the usual more abstract treatment of problems of government) will have far outweighed their disadvantages and dangers.

We have limited our analysis to the first twenty months of America's all-out participation in the war. This has been done for two reasons. First, the Congressional recess of the Summer of 1943 probably marked a fairly distinct break in the course of events reviewed here. Second, our review of the wartime record in certain areas is presented merely as back-

ground and illustrative material for our analysis of the governmental framework. Thus, a few more recent events may have been omitted from the record. Generally speaking, however, these events have not affected the validity of our broader analysis of the shortcomings in governmental attitudes and machinery, which are likely to continue in considerable degree until rather fundamental corrective measures are adopted.

This book is in part an outgrowth of research carried on under the auspices of the Iowa Agricultural Experiment Station. However, it is even more the byproduct of current economic investigations of wartime farm and food policies by staff members of the Department of Economics and Sociology.¹ As these investigations proceeded, it became increasingly apparent that the nature of current economic policies could not be properly understood without exploring their broader governmental setting. It was with this exploratory end in view that we joined hands in the present endeavor. The senior author, who is entirely responsible for the economic analysis, did most of the spadework and the greater part of the actual writing. The junior author assisted in the development of the general plan for the study and assumed responsibility for keeping check upon the soundness of the analysis and the accuracy of the conclusions insofar as they pertain directly to the field of government.

Because of the particularly broad scope of this book, we are especially indebted to those colleagues who gave so much of their time, thought and effort in helping the manuscript through its many stages. Professors C. Arnold Anderson, Albert G. Hart, Margaret G. Reid, Rainer Schickele, T. W. Schultz, and Walter W. Wilcox, all of the Department of Economics and Sociology; and Professors H. C. Cook and

¹As such, it was also aided by a grant from the Division of the Social Sciences, Rockefeller Foundation, New York City.

C. H. Matterson, of the Department of History and Government, carried the main burden of reviewing and criticising the manuscript. Professor E. D. Ross of the Department of History and Government and Dr. R. E. Buchanan, Director of the Agricultural Experiment Station, also made valuable suggestions at certain stages in the development of the manuscript. Other friends were kind enough to serve the equally useful task of lay-readers.

We also gratefully acknowledge the permission of Mr. J. N. Darling, the dean of American political cartoonists, to reproduce two of his delightful cartoons. Finally, the senior author wishes to thank the Social Science Research Council for a post-doctoral fellowship, which enabled him to make a very worthwhile excursion into the study of political science during the academic year 1941-42.

The debt which we owe to these various individuals, of course, in no way involves an offsetting share of the responsibility for any errors of fact or judgment which may yet remain. This responsibility the authors wholly bear.

W. H. N.
J. A. V.

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WARTIME GOVERNMENT IN OPERATION

Chapter I

THE PROBLEM

The United Nations are now taking the offensive on most of our farflung battle fronts. Behind us lies the agonizingly long period of defense and mere preparation for attack. Our output of food, weapons, ships and planes completely dwarfs the production of 1918, and has reached a level which makes the striking power of our gigantic army and navy effective. The lighting of our cities, the traffic on our roads, our grocery lists and our thermostats, show that we have rather successfully adjusted our personal living habits to the needs of war.

But we cannot expect to win the war simply by sheer weight and strength. True, we of the United Nations have a wide margin over the enemy in our ability to produce food, steel, oil, and many other war essentials. But we have long supply lines, and much of our effort is expended in getting men and equipment to the scene of action. Consequently we cannot afford to waste land, materials and labor by producing the wrong things, or by using these resources below capacity, or by letting hard-won products accumulate in useless piles.

THE ROLE OF GOVERNMENT

To organize the might of America's productive power against the enemy and to keep it from being dissipated in unimportant things are jobs for those who direct the war effort. These jobs must be done by the government. The range

of decision left to private citizens as farmers, workers, business managers and consumers has to be cut down.

Government has to make the central decisions. How many men to mobilize; what types of arms and equipment to order; how to direct men to the most essential jobs and resources to the most necessary production; how to decide among rival claims for food, rubber, steel, aluminum, freight cars, passenger planes, and telephone lines; how to give consumers fair shares of dwindling supplies; how to prevent rising prices from bringing disaster—these are issues which must be decided by the government. Delay should be avoided both in making such decisions and in revising them when conditions change. Delay handicaps the war effort and is needlessly wasteful of precious time.

Effective war-making calls for prompt and constructive legislation by Congress. It requires further farsighted policy decisions by the President and his administrators, as well as constant supervision by “bureaucrats” to see that plans are being carried out and, if not, why not.¹ Wisdom in framing government policies and efficiency in carrying them out are as essential to victory as trained fighting men, oil and explosives. Effective war-making cannot, however, be accomplished by

¹ In this book, we shall be concerned (apart from Congress and the President) only with those wartime government officials who have played a significant *executive* role—that is, those helping to determine general policies, in which the exercise of considerable judgment is required. We shall not deal directly with “bureaucrats” (used without its customary disparaging connotation), whose function is that of carrying out—by supervisory routine—the wartime policies determined by Congress or the “Executive branch” (including the Chief Executive and the Executive officials of the Cabinet and the war agencies). We shall bow to popular usage, however, by speaking of “administrators” as synonymous with “Executive officials” and of “administration” as the development of policy within whatever delegation of authority and assignment of functions such officials have received—directly or through the President—from Congress.

wisdom and efficiency only at the top. It is just as essential that various groups subordinate their special interests, making their potentially-valuable organized strength available to the promotion of the all-important national interest. And private citizens in general must seek, rather than shirk, a greater degree of participation in the universal sacrifice of total war, and must be discriminating in their criticisms of necessary wartime government controls.

SHORTCOMINGS IN WARTIME GOVERNMENT

Since the war began, we have made tremendous strides in the production of food and war materials. Much of this success may be attributed to the patriotism and sacrifice of workers, farmers, and managers, and to their group organizations; much to the public spirit and intelligence of Congress, the President and administrators. Nevertheless, it is the prevailing view—in and out of Washington—that our wartime governmental attitudes and machinery have not been wholly effective in developing and administering adequate policies on the home front. In manpower, in plant expansion, in taxation, in food production, in price control, a policy of drift—of waiting until things get critical—has led to one crisis after another which more timely action might have forestalled. Much effort in Washington has gone into the pull and haul of parties and blocs in Congress, of rival administrative agencies, and of Congress and the Executive branch against each other. This delay and friction has interfered with getting on with the war and has sometimes confused and bewildered the public.

SOURCES OF CONFUSION AND DELAY

Part of the confusion in wartime government can be traced to the unavoidable errors of human beings struggling with unfamiliar problems. At best, it is difficult for the public, legislators, administrators, and leaders of organized groups

constantly to readjust their thinking to rapidly changing conditions. The very size of the task, inexperience with complexities of a new kind, lack of knowledge, difficulties in choosing able administrators and coordinating their activities—all these factors have made certain defects in the development of wartime policies inevitable. Taken separately, the defects of wartime government would appear to find sufficient defense in these factors, which only the passage of time can correct.

However, we need to examine the record to determine whether other things may not have been responsible for certain cumulative defects which time alone cannot remedy without important changes being made. Legislation and administration have taken form within a given framework of political forces, attitudes and machinery. Conflicts among war agencies, between Congress and the Executive branch, and among pressure groups have created some defects and have exaggerated others.

In these conflicts, individual personalities and group attitudes have, of course, been of some importance. But of much greater importance has been the situation in which individuals and groups have been called upon to act. Many of the defects of wartime government can be traced to a general pattern of governmental organization which makes public spirit and intelligence less effective than one could reasonably desire.

THE SEPARATION OF POWERS

One of the most important elements in this pattern of organization is the constitutional doctrine of separation of powers. Our forefathers were almost more anxious to prevent misgovernment than to establish a government capable of prompt and powerful action. Friction between Congress and the Executive branch has, therefore, been more or less

normal in the American system of government. It has been greatest when the President has been long in office and the opposition has gained Congressional seats in the mid-term election, as happened in 1942. Once the President loses effective political support in Congress, the main basis for his leadership is removed, while Congress is poorly equipped to assume the role of constructive and coordinated leadership itself. The result is apt to be delay and inaction—or negative rather than positive action.

In less critical times, such a reaction would appear to be not all to the bad. For it gives Congress a chance to digest, amend and eliminate legislation passed under the pressure of a period of Executive dominance. Unfortunately, the present war emergency has of necessity made difficult this historically normal shift of power back toward Congress and has forced us to superimpose a greater wartime governmental organization upon a peace-time structure perhaps already overgrown. To recognize this fact at the very outset is important. But to bewail it will get us nowhere. Nevertheless, many of the defects in wartime government have, as we shall see, resulted from the failures of Congress and the President to adapt their attitudes and machinery sufficiently, within this broader framework, to counteract the natural forces tending to pull them apart.

THE PURPOSE OF THIS BOOK

Americans cannot hope to go through this war without being somewhat discontented with their record. But with ample allowances for inexperience and "human nature," the record to date falls far short of what we should have done—and far short of what we must do from here on out.

The purpose of this book is, therefore, to review wartime policy-making and administration in two selected fields—manpower and food—and insofar as possible to determine how

general governmental attitudes and machinery may have prevented the wartime manpower and food programs from being as effective as they yet need to be. The two fields described may not be fully representative of the activities of our wartime government. They are, however, important enough in themselves to leave little doubt that a greater degree of coordination and cooperation within the Federal government is badly needed. In reviewing these two fields, some attention will be given to alternative objectives which might have been pursued and alternative practices which might have been adopted. But the principal objective is an examination of the governmental process itself in order to see more clearly the governmental factors behind the wartime manpower and food programs and the changes that might lead to improvement.

We shall first examine manpower and wage control and then food production and price control. In each case, the following questions will be answered: What has the wartime program been? Have there been major defects? What governmental factors are behind any defects which are now apparent? The latter part of the book considers some additional questions: What have been the interrelationships between the labor and farm programs? Might these interrelationships have been better used to strengthen both programs? If so, how? What changes in governmental attitudes and machinery might contribute to this end?

Throughout, attention will be centered on the shortcomings of legislation and administration as they reveal themselves in retrospect, not because the shortcomings have outweighed the successes, but because it is the shortcomings which suggest the defects and needed improvements in our governmental attitudes and machinery. Our analysis will show that Congress and the Executive branch *each* has legitimate complaints about the other; that organized labor and organized agri-

culture *both* have reason to condemn the other's action; and most important, that the general citizenry and all those more directly shaping wartime policies have strong reason to complain at the other's shortcomings.

Nevertheless, if this emphasis on shortcomings simply makes each group feel that the shortcomings of the "other fellow" justify its own actions, this book will have fallen short of its purpose. Such an emphasis is intended to be merely a means to a more constructive end. For what is vital to victory—indeed to the future of democracy itself—is a willingness on the part of each group to recognize its own faults and take immediate steps to make amends in its future actions. Obviously, corrective action must be taken by *all* groups at once. Only by a genuine "alliance of powers"—under which each group carries its due burden of responsibility for constructive action—will the wisdom, patriotism, and strength of the democratic process have a chance to express themselves.

Chapter II

MANPOWER AND WAGE CONTROL: THE RECORD

In wartime, one of Government's biggest problems is the effective mobilization of manpower. In addition to building up the armed forces, large quantities of food, fighting equipment and other supplies must be provided and essential civilian-goods production must be maintained. In mobilizing manpower three problems stand out: (1) getting a satisfactory allocation of manpower between the armed forces and civilian employment; (2) using effectively all civilian labor available for essential war production; and (3) keeping wages from setting off the inflation spiral of higher wages, higher cost of living, higher wages, and so on. All three problems are of direct concern to agriculture—the first two in determining manpower allocated to essential food production and processing; the third in preventing a disastrous inflation of prices which would engulf agriculture as well as other economic groups.

In this chapter, we shall, after a brief statement of the pre-war background, examine and appraise the record of wartime government in the allocation of manpower, in regulating the industrial workweek, in preventing strikes and in stabilizing wages. In the next chapter, we shall attempt to discover some of the governmental factors which have helped to cause certain major defects in this record.

A. THE RECORD BEFORE PEARL HARBOR

The decade before the Pearl Harbor incident brought much labor legislation. A fear of surplus rather than of

scarcity—in this case, of manpower—directed much of this legislation. Government work relief and minimum-wage laws helped to maintain wage scales in spite of the large number of unemployed. The right of labor to bargain collectively and the forty-hour basic workweek became Federal law. Those aspects of the pre-war record having an effect on war-time policy-making are briefly summarized:

THE FORTY-HOUR WEEK

1. In 1936 Congress passed the Walsh-Healey Act, which provided that corporations producing under government contracts shall pay their employees $1\frac{1}{2}$ times the regular hourly wage rate for all hours worked in excess of an 8-hour day and a 40-hour week. This act was similar to an act of 1912, which already provided that such employees be paid time-and-a-half for time worked beyond an 8-hour day.

2. In 1938, the Fair Labor Standards Act was passed. This law, besides fixing minimum wages, required all industry in interstate commerce to pay time-and-a-half for hours worked in excess of a 40-hour week.

These two statutes did not fix a maximum 40-hour week. There was no upper limit to the workweek, provided time-and-a-half were paid for weekly hours in excess of 40. While these laws were supported partly as a "spread-the-work" measure, organized labor also looked upon them (as did agriculture upon "parity") as a means of realizing a goal of 20 years' standing. For these statutes first made possible the general incorporation of the 40-hour basic week in union agreements throughout industry.

3. By mid-1940, there was increasing sentiment in Congress in favor of revision upward of the statutory 40-hour week. But the President and his Defense Advisory Council declared that the nation's labor laws did not need to be suspended to meet defense needs. A year later defense industries were find-

ing it difficult to find workers with essential skills to man additional shifts, and overtime rates were held by some to discourage the lengthening of existing shifts. At this time, several Senators went on record for relaxing Federal statutes so as to permit a longer workweek without overtime pay or to give the President authority to suspend its overtime provisions wherever labor shortages develop.

COLLECTIVE BARGAINING AND MEDIATION

4. In 1935, Congress enacted the National Labor Relations Act, which legally affirmed the right of employees to full freedom in self-organization and in the designation of representatives of their own choosing for the purpose of collective bargaining. A special agency, the National Labor Relations Board, was created to administer the act.

5. During early 1941, a serious wave of strikes in key defense plants brought creation of the National Defense Mediation Board¹ and strong support for anti-strike legislation in Congress. Shortly afterward, the President used troops to end strikes that were called in violation of recommendations by government mediators. This action made it clear that mediation machinery should be used as a substitute for the strike, and that both employers and unions were expected to accept the Board's decisions in matters of wages and other grievances.

6. In the fall of 1941, the United Mine Workers called a strike to enforce their demands for a closed shop in the "captive" coal mines. They refused to accept the decision of the Defense Mediation Board and, despite the President's declaration that the Government would never force anyone to join a union,² realized their demands from a special group of

¹ Executive Order 8716, *Federal Register*, Mar. 21, 1941, pp. 1532-33.

² *United States News*, Nov. 21, 1941, p. 13.

mediators appointed by the President. In December, an anti-strike bill passed the House by 252-136 but was buried in the Senate labor committee.

AS WE ENTERED THE WAR

We entered the war with considerable underutilized manpower resources—there were nearly 4 million unemployed. And the average industrial workweek—41.2 hours—was relatively short, although a number of key defense industries already had average workweeks of 45-55 hours. Wage rates and weekly earnings were at new high levels. Organized labor had a total membership of about 9 million, three times as great as in 1933. Selective Service had been in operation for more than a year to provide manpower for the armed forces. Mediation machinery had been set up to provide for peaceful negotiation of wage disputes.

The war brought with it new problems. Manpower had to be shifted from civilian life to military service, and from non-employment and less essential production into essential war activities, including agriculture. Some of this shifting could be done by wage incentives, some required compulsion and other means. Furthermore, the productivity of the workers on the job had to be brought to its highest attainable level. To do this workers needed to be trained, the most effective workweek attained, and strikes, absenteeism and labor turnover minimized. Finally, these problems had to be solved without allowing wages to get out of hand as part of an inflationary spiral. How well have we met these needs?

B. THE RECORD SINCE THE WAR BEGAN

During 1942, expansion of our military establishment went forward under enlistment and under the Selective Service System. By December, there were nearly 7 million men in the armed forces and plans were announced for 11 million by the

end of 1943. Until September 1942, shifts of manpower to essential war industries were brought about largely by wage incentives.

ALLOCATING MANPOWER BY WAGE INCENTIVES

As the war production program got under way, both basic wage rates and the amount of overtime pay moved steadily upward. The fact that the war industries led in this advance was a powerful force in bringing about a tremendous shift in manpower from civilian-goods to war-materials industries. Thus in September 1942, weekly earnings were 28 per cent higher in the durable-goods (largely war-goods) industries than a year earlier, while employment had increased by 21 per cent. In the non-durable-goods (largely civilian-goods) industries, weekly earnings were up only 15 per cent and the number of workers only 1 per cent greater.¹

By September 1942, the possibilities of shifting manpower by wage differentials favorable to the war industries were about exhausted. The manpower situation was getting tight in spots. In some areas agricultural labor was very scarce—both for seasonal and year-round work. Unemployment was down to less than 2 million, and the shortage of manpower of certain much needed skills was becoming acute. Wage

¹ Only manufacturing industries (including food processing) are included in these figures of the Bureau of Labor Statistics. In September 1942, the durable and non-durable goods industries compared as follows:

	<i>Average Weekly Earnings</i>	<i>Average Workweek (Hours)</i>	<i>Average Hourly Wage Rate*</i>
Durable Goods	\$44.45	44.6	99.7¢
Non-durable Goods	29.53	39.7	74.3

* Including overtime pay.

increases were being used to shift such manpower from one essential industry to another. Some firms were said to be hoarding labor in anticipation of the looming shortage. Information concerning unused or underused labor was very inadequate. Managers of expanding war plants were ranging far and wide looking for potential workers. Henry Kaiser, for example, was recruiting workers in New York City for his Pacific Coast shipyards.

As a result of these various conditions, it was becoming essential to develop more direct means by which to shift workers to essential employment and, once there, to keep them on the job. And the need for inflation control, including the stabilization of wages, had become paramount. Upon the insistence of the President and his administrators in the labor field, these aspects of the manpower and wage situation have been handled with little additional legislation, despite much sentiment in Congress for such legislation. Administrative action has, therefore, dominated the wartime labor program. Congressional action has been largely limited to investigations, personal and bloc pressure on administrators, and the threat of legislation by which administrative policies might be reversed. Since the record is long, we shall merely outline it, under four headings: (1) allocating manpower by direct means; (2) increasing the industrial workweek; (3) preventing strikes; and (4) stabilizing wage rates.

ALLOCATING MANPOWER BY DIRECT MEANS

1. In April 1942, the President created the War Manpower Commission, for the purpose of coordinating the recruitment, placement, and training of manpower.¹ During most of 1942, however, its principal activity was the operation of the

¹ Executive Order 9139, *Federal Register*, Apr. 21, 1942, pp. 2919-21.

U. S. Employment Service, which acted as a clearinghouse for matching workers with essential jobs.

2. The increasing lack of coordination between military and civilian demands for manpower at last brought incorporation of Selective Service into the Manpower Commission in December. With this move, there was increased government influence over hiring practices, and the pressure of draft regulations became an important force in allocating manpower.

3. In February 1943, Manpower Chairman McNutt sought to substitute the standard of "essentiality of employment" for dependency status as the basis of deferment. By publicizing lists of "non-deferrable" occupations, it was hoped to encourage married workers to shift to more essential employment. In Congress, the first reaction to this step was to question the need for so large a military force. And the Kilday and Wheeler bills were introduced to give the existence of dependents priority over the nature of the work in determining draft deferments.

4. In April 1943, a blanket order "froze" workers to their jobs. It applied to some 27 million workers in agriculture and other essential industries. This order forbade the transfer of workers engaged in essential activities to other jobs at a higher wage rate, except with the approval of the Commission. It was designed to prevent labor turnover, brought about by wage competition for workers on essential jobs.¹ The President ordered the Commission to see that all hiring is done through the U.S. Employment Service.

5. Meanwhile, the Manpower Commission and the Department of Agriculture had set up minimum farm production standards for individual draft deferment. These were, however, attacked by Congressmen from the agricultural states.

¹ Executive Order 9328, *Federal Register*, April 8, 1943, pp. 4681-82; and *Federal Register*, Apr. 20, 1943, pp. 5136-37.

The administrative agencies yielded by cutting these production standards in half.¹ And Senator Bankhead introduced a bill seeking a blanket deferment for practically all farm workers.

6. In early 1943, an emergency farm labor program was developed by the Food Administration. Intra-state labor recruitment was delegated to the State agricultural extension services. Interstate recruiting was primarily given to the Farm Security Administration.

7. Meanwhile, the Austin-Wadsworth bill had been introduced in Congress. This national service bill, opposed by organized labor, would give the manpower agencies the power to draft men and women for farm and factory work. It was opposed by the President until June 1943, when he mentioned this type of legislation as a possible alternative to the anti-strike bill which he vetoed.

INCREASING THE INDUSTRIAL WORKWEEK

1. In February 1942, Secretary Perkins called for a six-day 48-hour week, with time-and-a-half after 40 hours, for "the grim period of adjustment for war." Bills to increase the statutory basic workweek from 40 to 48 hours and to abolish overtime began to gain momentum in Congress. But industrial labor and the Executive branch opposed these bills on the ground that they would create a wide-spread demand for increases in basic wage rates and would lessen the incentive for workers to shift to war industries. Even the President of the National Association of Manufacturers opposed these bills unless Congress in some way provided that current weekly earnings would not be lowered by the abolition of overtime rates. As a result of the controversy, labor organizations

¹ Rainer Schickele, *Manpower in Agriculture*, Pamphlet 3, Wartime Farm and Food Policy Series, Iowa State College Press, 1943, pp. 10-11.

agreed to abandon double-time for Sundays and holidays. During 1942, further attempts to abolish the 40-hour week made little headway.

2. In February 1943, the President ordered that a 48-hour week be deemed the minimum wartime workweek. Workers should, however, continue to be paid time-and-a-half for all hours in excess of 40. He called upon the War Manpower Commission to carry out the order. This the Commission did by designating those labor-shortage areas (initially 3 cities) and industries in which the longer workweek should be put into effect. The Commission's announced purpose was to force civilian-goods industries to release labor for employment in war production and to insure that, once so employed, the labor would be most effectively used.¹

PREVENTING STRIKES

1. Shortly after Pearl Harbor, the President announced a three-point plan for uninterrupted production: there should be no strikes or lockouts; all disputes should be settled by peaceful means; and a War Labor Board was created to handle these disputes.² The national leaders of the Congress of Industrial Organizations, the American Federation of Labor, and the United Mine Workers pledged that their organizations would live up to this plan. Benefits to a labor union, including wage increases, thus came to rest not on its own power to strike but on what, in any dispute, was granted to it by the War Labor Board.

2. Early in 1942, the War Labor Board introduced the "maintenance of membership" principle. By it a worker

¹ Executive Order 9301, *Federal Register*, Feb. 11, 1943, p. 1825; *Federal Register*, March 3, 1943, pp. 2640-41.

² Executive Order 9017, *Federal Register*, Jan. 14, 1942, pp. 237-38. In this order, the War Labor Board superseded the Defense Mediation Board.

while not forced to join the union, must (if a majority of the union so votes) remain a member for the duration of the contract, once he elects to join. The no-strike agreement had removed labor's major bargaining weapon and tended to undermine the ability of unions to win and hold members. This principle was supported by the unions as protection against wartime disintegration. And the Board granted it on the grounds that it would stabilize and increase war production where jurisdictional disputes or employer hostility have created labor unrest.

3. The coal strikes of May and June 1943 were the first strikes authorized by a national labor leader in violation of the no-strike pledge. Up to this time, organized labor's wartime record in avoiding strikes had been very good.¹ Nevertheless, when the miners renewed the strike and later threatened a third, and several other important unauthorized strikes occurred in key industries, Congress quickly enacted its first anti-strike legislation and overrode the President's veto. The resulting Connally-Smith Act provides for a 30-day "cooling off" period and a majority vote of the workers before a strike may be effectuated; strengthens the authority of the War Labor Board; specifically authorizes the President to seize strike-bound war plants; and provides heavy penalties for union leaders who instigate strikes in government-operated plants. It also provides that government-seized plants shall be returned to private ownership 60 days after "normal" production is resumed and prohibits political contributions

¹ In 1942, the number of strikes in the United States declined by 31 per cent below that of 1941. In number of workers involved, the decline was 64 per cent; in man-days of work lost, 82 per cent. The increasing restiveness of industrial labor under wage stabilization, however, is suggested by the comparable increases in strikes in January-April 1943 as compared with the same period of 1942: 25 per cent, 94 per cent, and 5 per cent respectively. (*Monthly Labor Review*, May 1943, pp. 959-79.)

by labor organizations. This was the first specific labor legislation actually enacted by Congress since Pearl Harbor.

STABILIZING WAGE RATES

1. In the Price Control Act of January 1942, Congress declared that "it shall be the policy of those departments and agencies of the government dealing with wages . . . to work toward a stabilization of prices, fair and equitable wages, and cost of production." In late April, the Price Administrator froze the retail prices of some 60 per cent of the foods included in the cost-of-living index—that is, all foods whose prices had reached the minimum levels at which the January price control act permitted price ceilings to be imposed.¹ He also called upon the War Labor Board to hold wages in check.

2. In April 1942 the President asked Congress to re-establish parity, rather than 110 per cent of parity, as the minimum level for farm and food price ceilings.² At the same time, he announced that "wages in general . . . should be kept at existing scales." The mechanics of wage stabilization were left to the War Labor Board. Its chairman stated that upward adjustments in substandard wages would be allowed. Workers already receiving standard wages were warned, however, that they should not expect their wage rates to keep up with the rising cost of living. In July, the level of "standard" wage rates was defined—in what came to be known as the Little Steel formula—as at least 15 per cent above the level of January 1, 1941. This percentage was the approximate increase in the cost of living between January 1941 and May 1942.

¹ General Maximum Price Regulation, *Federal Register*, April 30, 1942, pp. 3153-58.

² See below, pp. 47-48.

3. In September 1942, Congress responded to the President's ultimatum to remove the "110 per cent of parity" provision of the January Act. Congress also provided that the President should not stabilize wages and salaries below the highest level of the period January 1 to September 15, 1942. In November, the War Labor Board announced that it would "act on the presumption that wage rates prevailing on September 15, 1942 are proper. The Board will grant wage increases over the level prevailing on [this date] . . . only in exceptional cases."¹

4. In late March 1943, the War Labor Board rejected labor's petition that the Little Steel formula be laid aside on the grounds that prices had risen since September 1942. It warned, however, that "radical changes" in food prices might force a reconsideration. With Congress threatening to break through food price ceilings and the United Mine Workers demanding large wage increases, a new crisis occurred in April. It was at this point that the President vetoed the Bankhead parity bill,² and ordered the Board to halt further wage increases, except those necessary to correct substandards of living within the limits of the Little Steel formula.³

5. In the series of coal strikes of May and June, John L. Lewis appears to have had, besides embarrassing the President, two major objectives: to force abandonment of the Little Steel

¹ According to the Bureau of Labor Statistics, by November 1942 average weekly earnings of all factory workers were more than 50 per cent higher than in January 1941. Average hourly earnings (including overtime) were 33 per cent higher in the durable-goods industries and 23 per cent higher in non-durable-goods. The comparable increases in straight-time hourly earnings, excluding overtime payments, were 27 and 20 per cent, respectively. The Little Steel formula was based on straight-time wage rates. During the same period, the cost of living had increased by 19 per cent.

² See below, pp. 50-51.

³ Executive Order 9328, *Federal Register*, Apr. 10, 1943, pp. 4681-82.

formula as the basis for wage stabilization, and to discredit the War Labor Board, which he defied. Refusing to be by-passed by any other government representative, the Board insisted upon, and finally received, the President's assurance that any settlement reached with Mr. Ickes must receive the Board's approval. The Board then rejected "portal-to-portal" pay as a subterfuge wage increase in circumvention of the Little Steel formula, although it granted certain other small concessions. Meanwhile, Mr. Ickes had ordered a six-day (42-hour) workweek, with overtime pay for the sixth day (a matter then outside of the War Labor Board's jurisdiction), which guaranteed considerably higher weekly earnings. When a third strike caused the government to take over the mines for an indefinite period, the miners were able, for a time, to sidestep the Board's order that they sign a new contract with the mine operators, although their efforts to break the Little Steel formula failed.

6. The coal crisis—augmented by strong pressure from all the labor organizations—brought the May order to "roll back" certain retail food prices, the difference to be made up by subsidies to middlemen. Accepting for the time being a ceiling on wages, organized labor called for lowering the cost of living to the level of September 15, 1942.¹ In late June Congress voted to prohibit the use of subsidies for this purpose

¹ In May the cost-of-living index was about 24 per cent above January 1941, as compared with about 17 per cent above at the time of the September price control act. Food prices had risen by 46 per cent since January 1941 and 13 per cent since September 1942. (*Monthly Labor Review*, July 1943, pp. 72-74.) Between September 1942 and April 1943, however, average hourly earnings (including overtime) in the durable-goods industries increased by 4.5 per cent and average weekly earnings by 9.1 per cent. The comparable increases in the non-durable goods industries were 5.3 and 12.8 per cent respectively. These increases were largely due to a longer workweek.

after August 1, but failed to override a subsequent Presidential veto.

C. WHAT DOES THE WARTIME RECORD SHOW?

OUR ACCOMPLISHMENTS

Since the war began, our industrial production has reached almost fantastic levels. This success is due not only to the patriotism and genius of American industrial management, but to the devotion and sacrifice of American labor and its leaders as well. Nor could this success have been attained without the public spirit and intelligence with which the legislators and administrators of our government have organized and directed industrial production—of which manpower is a vital part.

Labor has been shifted on a large scale to more essential uses despite the drain on our manpower resources necessitated by the rapidly expanding armed forces. Essential workers have been increasingly well utilized: the workweek has been stepped up; strikes and absenteeism have been held at surprisingly low levels considering the adverse circumstances of cumulative fatigue, poor housing, the increasing importance of women workers with home responsibilities and inadequate child-care facilities, and the checked but rising cost of living. And wages have been brought under control as a part of the program to check a disastrous inflation.

Nevertheless, with our armed forces turning from a period of preparation and defensive warfare to one of fruition and offensive warfare, we Americans cannot afford to rest on our laurels. We must further strengthen the home front if we are to match the sacrifices of our fighting men and give them the full backing they must have. In order to do this, we may, with the benefit of hindsight, search the record of wartime labor policy in an attempt to bring to light some of its major defects. We may then be in a better position to determine

those changes in governmental attitudes and machinery by which we can do a still better job in the labor field for the crucial period that lies just ahead.

The Executive branch has had farreaching and flexible powers in the labor field. Many defects in manpower and wage policy have therefore been due, in the first instance, to Executive action. However, when appropriate Executive action has been taken, Congress has too often sought to counteract it with ill-advised and piecemeal legislation or pressure.

SOME DEFECTS IN EXECUTIVE ACTION

The War Manpower Commission has failed to produce a comprehensive and coordinated plan by which to reconcile the conflicting claims of the armed forces, industry, and agriculture for manpower. In October 1942, the House Tolan Committee¹ deplored "the degeneration of the Commission from a policy-forming and coordinating agency to a [subordinate] operating agency," performing the functions of the older Employment Service. Since Selective Service was incorporated into the Commission in December, the Commission has taken the first steps toward developing realistic standards for draft deferment in both industry and agriculture and essential workers were frozen to their jobs. But each new policy has sounded farreaching and then has been rapidly qualified until its effectiveness was greatly diminished. Conflicting draft deferment criteria have been announced, threatening to demoralize rather than improve the manpower situation. And, under pressure from Congress, production standards for farm draft deferment were allowed to be fixed so

¹ The Select Committee Investigating National Defense Migration, under the Chairmanship of Rep. Tolan. This committee, set up to investigate national defense migration, chose to explore the whole wartime labor and manpower field. It did an excellent job.

low as to be of little use in deferring only essential farm workers.

During the early part of the defense program, the 40-hour week helped considerably in creating a relative wage structure favorable to shifting labor from non-essential to essential employment. For, despite overtime pay, the war industries quickly expanded their workweek, while overtime pay discouraged a longer workweek in civilian-goods industries. As a result, weekly earnings increased much more rapidly in the war industries, creating the incentive for a large-scale shift of manpower in the right direction. In this regard, the 40-hour week as such contributed to selective rather than general wage increases.

By 1942, however, this beneficial aspect of the 40-hour week was becoming exhausted. Unemployment had reached a relatively low level, and in spite of the shifts in manpower, serious labor shortages were appearing in many essential industries. By increasing the short workweek in non-essential industries, many workers might have been released for more essential employment elsewhere. But employers in the non-essential industries hesitated to do this, since they would increase their labor costs by the amount of the additional overtime pay required by law. Under these circumstances, the 40-hour week had the effect of encouraging the hoarding of labor in non-essential industries. However, the President and his administrators continued to oppose any attempts to modify existing legislation.

Nevertheless, a year later, the President's 48-hour workweek order at last conceded, in effect, that full utilization of our labor supply required a longer workweek in the civilian-goods industries as well. Yet, even then, Congress was not asked to modify the overtime requirements of earlier legislation. When this order was issued (February 1943), the average workweek was 46 hours in the principal war industries, of

which some had an average in excess of 50 hours, with two and even three shifts. Overtime pay after 40 hours had not barred rather full utilization of labor in most of these industries. Furthermore, these industries had profitable government contracts and assured outlets for all they could produce. In the civilian-goods industries (including essential food processing), however, it was a different story. Here the average workweek was only 42 hours. But many of these industries, which could most easily release workers, were faced with rising costs (partially due to declining volumes) and price ceilings. Hence, they were least in a position to pay overtime during the war. For this reason, the present order fails to provide the economic incentive for employers in non-war industries to release labor for more essential uses. At the same time, inertia, fears of loss of seniority, reports of unsatisfactory living conditions elsewhere, and the desire for leisure have probably done much to prevent their employees from leaving voluntarily.

The establishment of thorough-going wage control was unduly delayed. Wages in non-essential industries were allowed to rise too much relative to those of the essential industries during the first nine months of 1942. There was too great an unwillingness to supplement the no-strike agreement with fair but effective controls of potential violators of that agreement. Past experience with the miners' union, in particular, might have led to a fuller anticipation and development of more adequate means of handling the coal strikes, of which there was ample warning. And the price "rollback" appears to have been too hastily considered and inadequately defended in view of the known attitudes of Congress toward subsidies at the time it was announced.

SOME DEFECTS IN CONGRESSIONAL ACTION

In the manpower and wage field, Congressional influence has been exercised primarily through individual and bloc

pressure on Executive officials and through threats of legislation rather than through its actual enactment.

Individual members of Congress, often with considerable support from their colleagues, have introduced bills or exerted pressure to countermand criteria of draft deferment aimed at getting manpower most effectively utilized as between essential production and the armed forces. Some Congressmen from farm states have tried to impose blanket deferment upon practically all farm workers of military age, regardless of their contribution to the production of essential foods or the stringency of the farm labor situation in their region.¹ Proposed bills to ban strikes, penalize absenteeism, and increase the statutory 40-hour basic workweek have frequently disregarded the vital factor of labor morale and the more basic causes of labor unrest which require correction. Many of the bills introduced to abolish all overtime wage provisions would have cut weekly earnings sharply in key war industries where the workweek was already very long and costs of living unusually high.

It is true that these bills did not pass—actually few survived committee consideration. But there seems to be little doubt that some of them—ill-advised and piecemeal as they were—would have received strong support on the floor had they been reported favorably out of committee. The threats of such legislation probably influenced adversely Executive decisions on some manpower issues and lent support unnecessarily to the view that labor policy must be kept exclusively in Executive hands.

¹ Rainer Schickele, *Manpower in Agriculture*, Pamphlet 3 of the Wartime Farm and Food Policy Series, Iowa State College Press, 1943.

Chapter III

BEHIND THE WARTIME LABOR PROGRAM

Having outlined the record of wartime government in manpower and wage control and some of its defects, we turn now to an analysis of some of the governmental attitudes and machinery which have permitted and intensified these defects in the wartime labor program.

A. SOME FACTORS SHAPING ADMINISTRATION

Administration of government manpower and wage policy has suffered primarily from lack of coordination, inadequate delegation of authority, and insufficient support of administrative decisions.

COORDINATION IN ADMINISTRATIVE AGENCIES

Even before the war, the Department of Labor began to be stripped of important functions by the National Labor Relations Board, the Bituminous Coal Division of the Department of the Interior, and the Federal Security Agency. With the coming of the war, a host of new agencies were assigned important aspects of the manpower and wage problem—among them the War Labor Board, Selective Service, the Army's Services of Supply, the War Production Board and the War Manpower Commission. These agencies, for the most part, have performed functions sufficiently different to require separate administration. Nevertheless, there soon developed a constant and growing jurisdictional contest among them.

The original purpose of the War Manpower Commission was to coordinate the other manpower agencies and to formu-

late overall plans, programs and policies in the manpower field. Within a few months, however, it was obvious that the Commission never could or would, without further major changes, play such a role. Thus in October 1942, the Tolan Committee clearly outlined the overlapping of authority between the Manpower Commission, Selective Service, the War Production Board, and the Army in manpower mobilization.¹ Said the Committee: "Governor McNutt has not been able effectively to urge production planning in accord with the full use of manpower." The Army's Services of Supply had a manpower branch which was, according to the Tolan Committee, "complete and self-contained and coextensive in scope with the operations of the . . . Commission"; while the War Production Board had relegated the Commission "simply to the status of an employment agency, carrying out instructions formulated by the Board." Selective Service passed on the Commission's directives on essential occupations to local draft boards, which could at will follow or ignore them.

This confusion may be attributed to two factors. First, according to the Tolan Committee, Mr. McNutt was, by executive order, "given broad powers to carry out reorganizations and to order the constituent agencies to put these powers to use." His failure to make bold use of these powers was an important element in the Commission's merely duplicating, or becoming subordinate to, other manpower agencies.

Second, the Manpower Chairman has never had a clear-cut delegation of authority. He has had to take orders from the Army on the draft and to consult the War Production Board on labor for industry. With the transfer of Selective Service to the Commission in December, he was put in a better

¹ *Sixth Interim Report*, Oct. 20, 1942, 77th Cong., 2d Sess., House Report No. 2589, pp. 16, 19, 14, and 4.

position to serve his original function of coordinating manpower mobilization. But meanwhile, the Office of Economic Stabilization, under Justice Byrnes, had been created.¹ In early 1943 Mr. Byrnes began to originate orders in the manpower field even though the Manpower Chairman did not sit on the Stabilization Board. This action cast further doubt upon the Commission's own authority to issue directives. Finally, in late May, the Office of War Mobilization was established above the Office of Economic Stabilization.

This course of shifting responsibility for manpower mobilization illustrates, in a striking way, the marked tendency to solve administrative tangles simply by superimposing new executive authority upon the old. The offices of the Secretary of Labor, the Manpower Chairman, and the Economic Stabilizer have successively been superseded by or subordinated to a still higher authority. As a result, the function of each has been progressively reduced from coordination and policy-making toward more or less routine operation of programs determined from above.²

This result has partly grown out of the unavoidable difficulties of evolving an administrative set-up by which to coordinate not only manpower mobilization but the whole complex war program. But, even so, administration has been needlessly complicated by the President's hesitancy in replacing administrators who have failed to meet the test of their office and by the lack of clarification of existing lines of authority before new lines of authority are added.

DELEGATION OF AUTHORITY

The President has had very broad powers in the manpower and wage field. Even as the present extensive administrative

¹ Executive Order 9250, *Federal Register*, Oct. 6, 1942, pp. 7871-74.

² Or, to use our terms as defined in the footnote on p. 2, their position has tended to change from that of an executive to that of a "bureaucrat."

hierarchy has developed, these powers have been delegated only to a limited extent and, when conferred, have often been far from clear. As a result, the office of the President has become the final place of appeal for many decisions which, with a more clear-cut definition of functions and authority, might have been avoided.

Several undesirable consequences tend to follow such a condition. First, because of the many things claiming the President's attention, problems are likely to be neglected until they reach a crisis stage or are decided by a small group of little-known Presidential assistants with final authority but without clear-cut public responsibility. Second, pressure-group action tends to concentrate where important administrative decisions are made. Pendleton Herring has pointed out that a transfer of power from Congress to the Executive does not eliminate the drive of special interests. "It merely forces them to seek different channels. Their demands and their bargaining are no longer plainly visible tactics. Instead of getting legislators to do their log-rolling on the floor of the assembly, special interest representatives and administrators do their bargaining in the privacy of their own offices."¹ Such a method may be more efficient than the seeming chaos of Congressional procedures. But when pressures concentrate on the President's office, public suspicion, some certainly unwarranted, is likely to arise.

Finally, when ultimate decisions are known (or believed) to rest with the President, resistance to the decisions of administrative agencies is encouraged. Consequently, the proper functioning of both the President and the particular administrative agency is badly hampered. The President is put into the position of appearing to act for or against certain

¹ Pendleton Herring, *Presidential Leadership*, Farrar and Rinehart, New York, 1940, pp. 28-29.

pressure groups. For example, in the fall of 1942, Montgomery Ward refused to accept the War Labor Board's "maintenance of membership" principle until the President himself had spoken. And the President has twice found himself personally in the ring, as it were, battling with John L. Lewis, when the latter refused to deal with existing mediation agencies. Such a clash of personalities detracts attention from the major issues. If the President loses, his loss of prestige is tremendous, raising apprehensions in the minds of the public as to whether a force is not abroad which is stronger than the government itself. And, in the public eye, any concession whatsoever—made under such duress—is a defeat for the President.

SUPPORT OF ADMINISTRATIVE DECISIONS

At the same time, the already difficult position of the War Labor Board appears to have been weakened by the uncertainty of the President's backing in the recent coal strikes. Getting the miners back to work was, of course, very important. But the crucial issue was whether or not the Mine Workers could avoid constituted governmental machinery for handling wartime wage disputes. Even before the coal strike materialized, the President is reported to have dispatched Mr. Steelman as his personal representative to reach a settlement. This probably encouraged Mr. Lewis in thinking that he might be able to maneuver special treatment, as he had in late 1941. During the first coal strike, the President appointed Mr. Ickes in a similar capacity. In neither case did the President initially specify that any agreement so reached must be approved by the War Labor Board. That he finally did so appears to have been forced upon him by the threatened resignation of the entire Board. And, both times the President ordered the miners themselves to return to work

against their leader's orders, Mr. Lewis was able to avoid a direct test of strength by responding to the simultaneous persuasion of Mr. Ickes.¹ And, while it is quite possible that government operation of the mines could not have been avoided, this ultimate solution did permit the Mine Workers for a time to evade the Board's order in the coal case.

This element of personal government has led to two unfortunate results. First, by permitting labor cases to be appealed from the constituted authorities, the President has made resulting decisions appear arbitrary and discriminatory. The excellent policies of the War Labor Board have been prevented from crystallizing properly and its effectiveness has been limited by the encouragement given other labor unions to follow similar tactics.² Second, the President has further consolidated opposition in Congress, which could have strengthened his hand, had it been called upon to share in determining, or at least approving, current labor policy. As a by-product, less desirable farm policy has probably been fostered.³

The new Office of War Mobilization offers a potential solution, however.⁴ Mr. Byrnes is reputed to have been

¹ See the excellent analysis of this point by Ernest Lindley, "Sovereignty of the United States," *Des Moines Register*, June 8, 1943, p. 6.

² According to the President (*New York Times*, Aug. 19, 1943, pp. 1, 15), only seven of more than 1000 Labor Board cases have been referred to the President "because of persistent non-compliance." This is indeed a fine record and should, in all fairness, be mentioned here. Nevertheless, the key nature of some of these cases (particularly the coal case) should not be overlooked.

³ See below, pp 77, 79, 81-82, and 84.

⁴ The subpoena power which the War Labor Board received under the Connally-Smith act and the recent Executive Order (August 19, 1943) giving the Board power to discipline striking unions, in government-seized plants, by withholding union dues should also go far to strengthen its authority and solve difficulties which we discussed above.

delegated "full authority" to direct all wartime agencies and departments, to coordinate them, and to force them to follow his directives. But this will prove to be a solution only so long as no public or private group is allowed to appeal over his head to the President and obtain a modification of one of Mr. Byrnes' directives. And even the appeals to Mr. Byrnes must be minimized. This can be done only if subordinate administrative posts are manned by those who can stand the gaff both for higher officials and for the agencies in their charge. Such administrators should be "expendable," willing to risk hopes of a political future upon doing the job at hand with courage and boldness, even if they must ultimately resign.

B. SOME FACTORS BEHIND CONGRESSIONAL ACTION

Several factors have prevented Congress from taking a more active and positive role in the field of manpower and wage policy: present Congressional attitudes toward labor, the inadequacies of Congressional committee machinery in taking leadership in this field, and the President's consistent attempts to keep labor policy in his own hands. The first two will be discussed in this section, while the question of Presidential leadership—because of its importance in showing the inter-relationships between farm and labor policy—will be reserved for a later section.¹

CONGRESSIONAL ATTITUDES TOWARD LABOR

What is the prevailing attitude of the present Congress toward organized labor? It is difficult to find any satisfac-

¹ Below, pp. 76-80, 83-84.

tory statistical basis for answering this question, since so few labor bills have recently reached the floor for a vote. However, because of the atmosphere of duress under which it was passed, the recent Connally-Smith anti-strike act may serve as a fairly satisfactory index by which to judge the unconditional supporters of organized labor in Congress.¹ This act passed in the Senate by a vote of 55 to 22 and, in the House, by 219 to 130.

As the breakdown of the vote in Table I shows, over three-fourths of organized labor's support (largely Democratic) in the House came from the 11 populous Middle Atlantic, East North Central, and Pacific States. Even this support tended to be nearly offset by the largely non-urban Republican vote of these same regions. Organized labor's support was negligible in the 16 rural-oriented Southern states, which almost solidly backed the bill, casting 91 per cent of the Democratic votes favorable to its passage. The predominantly rural Republican representation of the seven West North Central states also overwhelmingly supported the bill. Thus, the voting showed a split partly along party lines, partly according to urban-vs.-rural interests.

In the Senate, whose members represent entire states rather than local districts, the bill was even more strongly supported by both parties, although again Republican support was relatively stronger. Over two-thirds of the Democratic support came from the Southern states. Of those opposing the bill, more than a third were from the Mountain states, which have only one-sixth of the total seats in the Senate. Only the Middle Atlantic and Mountain states had majorities against the bill. The opposition came from 16 different states, with

¹ Since the act was repassed over the President's veto, all the national labor organizations have announced their determination to seek the defeat of all members of Congress who supported the Act.

TABLE I
REGIONAL AND PARTY BREAKDOWN OF THE CONGRESSIONAL VOTE
ON THE FINAL CONNALLY-SMITH BILL (BEFORE VETO)
JUNE 1943*
House of Representatives

Region	Democrat			Republican			Total		
	Yea	Nay	Ab-sent	Yea	Nay	Ab-sent	Yea	Nay	Ab-sent
New England . . .	1	3	2	16	4	2	17	7	4
Mid Atlantic . . .	0	36	6	25	9	17	25	45	23
East North Central .	1	20	1	34	23	8	35	43	9
West North Central	2	0	3	25	6	7	27	6	10
South Atlantic .	33	7	11	2	2	2	35	9	13
East South Central.	23	1	6	1	1	1	24	2	7
West South Central	36	0	6	0	0	1	36	0	7
Mountain	4	4	2	4	0	1	8	4	3
Pacific	1	9	5	11	5	2	12	14	7
Total U.S.	101	80	42	118	50	41	219	130	83

Senate

New England . .	2	2	0	5	1	2	7	3	2
Mid Atlantic	0	2	1	2	1	0	2	3	1
East North Central..	2	1	0	6	0	1	8	1	1
West North Central	0	1	2	6	3	2	6	4	4
South Atlantic . . .	10	1	3	1	0	1	11	1	4
East South Central..	7	0	1	0	0	0	7	0	1
West South Central..	5	0	2	1	0	0	6	0	2
Mountain	4	8	1	2	0	1	6	8	2
Pacific	0	2	1	2	0	1	2	2	2
Total U.S.	30	17	11	25	5	8	55	22	19

* Compiled from *Congressional Record*, June 11, 1943, p. 5787 and June 12, 1943, p. 5884.

both Senators from Pennsylvania, North Dakota, Nevada, Utah, Montana and Washington voting against it.¹

It would be erroneous to attribute indiscriminate anti-labor sentiment to all the supporters of the Connally-Smith Act, passed as it was during the recent coal crisis. Nevertheless, the vote on this bill does indicate a prevailing willingness in the present Congress to enact legislation opposed by organized labor. In this connection, the House has shown less restraint than the Senate. In December 1941, the House passed an anti-strike bill by 252-136; and in April 1943 it passed the Hobbs "anti-labor-racketeering" bill by 270-107.

The original Connally bill (directed only against strikes in government-operated plants) passed the Senate by 63-16. In the House, the more general and drastic provisions of the Smith bill were attached and passed 219-130 by the House. The combined bill received somewhat less support (55-22) when returned to the Senate. Finally, in overriding the President's veto, the majorities were even greater (244-108 in the House; 56-25 in the Senate), indicating Congress' growing dissatisfaction with the President's handling of the prolonged coal crisis.

Since the war began, scores of labor bills have been introduced which have been opposed by organized labor. But only the three mentioned passed in the House, of which only one passed in the Senate as well. In view of prevailing sentiment in Congress, why has this been true?

¹ Four more of these states, New York, Minnesota, Missouri and Maryland, had a second Senator who did not vote. If the House and Senate delegations of each state are combined, it is found that North Dakota, Nevada, Utah and Montana representatives were unanimously against the bill. Connecticut, Rhode Island, New York, Pennsylvania, Maryland, Wisconsin, Illinois, Washington and California had majorities against the bill. One state delegation was evenly divided, 19 had majorities favoring the bill, and 15 others gave it unanimous support.

ATTITUDES OF CONGRESSIONAL COMMITTEES HANDLING LABOR BILLS

Because of their composition, the Senate and House labor committees (Table II) provide a formidable barrier to anti-

TABLE II
REGIONAL AND STATE REPRESENTATION ON CONGRESSIONAL
COMMITTEES ON LABOR, MARCH 1943*

<i>Region</i>	<i>Senate Labor Committee</i>		<i>House Labor Committee</i>	
	<i>States Represented*</i>	<i>No. Mem- bers</i>	<i>States Represented*</i>	<i>No. Mem- bers</i>
New England. . . .	<i>N.H. Vt. Mass.</i>	3	.....	0
Middle Atlantic. . . .	<i>Pa. N.J.</i>	2	<i>N.Y. (2), Pa. (2)</i>	6
East North Central. . .	<i>Wis. Ohio</i>	2	<i>N.J. † (2)</i>	5
West North Central . .	<i>Minn. Nebr.</i>	2	<i>Ill Mich. (2), Wis.</i>	1
South Atlantic.	<i>Del. Fla.</i>	2	<i>Ind.</i>	3
East South Central. . .	<i>Ala. Miss.</i>	2	<i>Nebr.</i>	1
West South Central. . .	<i>La.</i>	1	<i>W.Va. N.C. Ga.</i>	3
Mountain.	<i>Utah † Mont.</i>	3	<i>Miss.</i>	1
	<i>N. Mex.</i>		<i>Tex.</i>	1
Pacific.	<i>Wash.</i>	1	.....	0
Territories. . . . .	.....	0	<i>Calif. (2)</i>	2
			<i>P.R.</i>	1
Total . . . . .	.....	18	.....	20

* States in italics represented on the Senate Committee have an urban population more than 50.0 per cent of their total population; states in italics on the House Committee indicate metropolitan Congressional districts (cities of 250,000 or more) within these states, with the exception of one each in Pennsylvania, Michigan and California.

† Chairman of Committee.

labor legislation. These committees have sidetracked many labor bills in recent years. How representative are they?

First, urban interests predominate in both committees. Of the 48 states, 28 (58 per cent) have a rural population greater than their urban population. These states have 44 per cent of the seats on the Senate Committee on Education and Labor and only 32 per cent of the seats on the House Committee on Labor. Furthermore, 9 of the 19 voting members of the House Committee are from metropolitan districts, where organized labor is especially strong.

Regionally, the distribution of memberships on the labor committees is fairly representative of the nation's total population—except that the 8 Mountain states have 17 per cent of the seats (including the chairmanship) on the Senate Committee and only 3 per cent of the Nation's population. However, this region has strong labor elements, despite its sparse population, and many of its representatives have a definite pro-labor outlook.¹

By and large, then, organized labor can expect to have a favorable hearing from the two labor committees. However, it is possible to bypass these committees. At least a third of the wartime labor bills have been (at the request of the sponsor) referred to the judiciary committee² or, in a few instances, to the military affairs and naval affairs committees, where urban-labor interests are less strongly represented.³

¹ This outlook is reflected in the fact that, in the previous session of Congress, 28 per cent of the members of the Senate Committee were from the Mountain states (Appendix Table B). In the present session, two of these seats have been given up to the Middle Atlantic and Pacific states.

² An important factor resulting in the judiciary committees becoming so prominent in the handling of recent labor legislation is the desire of Congressmen to close loopholes in the law revealed by administrative and court decisions which they feel are unduly favorable to labor.

³ In the last session of Congress, the relative representation of metropolitan to total membership on these House Committees was as follows: Labor 12 out of 19, Naval Affairs 9 out of 27, Judiciary 5 of 26, and Military Affairs 5 of 25 (See Appendix Table B).

In fact, the few wartime labor bills to reach the floor of the House have been recommended out by these other committees, after which they have rather readily passed in the House. In the Senate, such bills have been referred to the Senate labor committee, which refused to report them out. The successful Connally-Smith bill was handled by the Senate judiciary committee and the House military affairs committee.

That sentiment on labor bills differs markedly among these different committees handling wartime labor bills is shown by Table III, which shows how the members of these various

TABLE III
HOW MEMBERS OF VARIOUS CONGRESSIONAL COMMITTEES
HANDLING WARTIME LABOR BILLS VOTED ON THE FINAL
CONNALLY-SMITH BILL (BEFORE VETO), JUNE 1943

	<i>Yea</i>	<i>Nay</i>	<i>Not Voting</i>	<i>Other*</i>	<i>Total</i>
House Committee on:					
Labor	9	10	1	2	22
Judiciary †	14	9	4	0	27
Military Affairs	20	3	3	4	30
Naval Affairs	10	11	6	3	30
Senate Committee on:					
Labor	10	7	1	0	18
Judiciary	11	6	1	0	18
Military Affairs †	11	4	3	0	18
Naval Affairs	10	3	5	0	18

* Vacancies and non-voting territorial delegates.

† Sponsor of bill.

committees voted on the floor on the Connally-Smith bill. In both houses, organized labor received its strongest support from members of the labor committees. Ordinarily, the differences between the vote of the labor committees and the other committees are much greater.¹ Despite these differ-

¹ Thus the comparative votes on the Hobbs "anti-labor-racketeering"

ences, however, all of these committees have, for the most part, done a valuable job of sifting out those labor bills which have reflected an opposition to labor that was blind, uninformed and irresponsible.¹

But it has also been in these committees where labor leaders and Executive officials have concentrated their pressures against all proposals for labor legislation—some of them constructive²—which appeared to have prospects of committee approval. Under these circumstances, the extent of effective and active anti-labor sentiment in Congress is apt to be overestimated. Pro-labor legislation could hardly have been expected; and only one law opposed by organized labor has been enacted. Congressmen from constituencies which were predominantly antagonistic to labor have had strong political incentive to talk. These statements are the ones which have been played up in the press. The Congressional supporters of labor, on the other hand, have generally been better off to let union leaders and the Executive branch bear

bill in April 1943, by the members of the four House committees, were:

	<i>Yea</i>	<i>Nay</i>	<i>Not Voting</i>	<i>Other</i>	<i>Total</i>
House Committee on:					
Labor.....	8	10	2	2	22
Judiciary (Sponsor).....	19	5	3	0	27
Military Affairs.....	19	4	3	4	30
Naval Affairs.....	16	4	7	3	30

Compiled from *Congressional Record*, Apr 9, 1943, pp. 3285-86.

¹ In their attitude toward labor, some Congressmen have shown the same sort of irresponsibility which led Captain Rickenbacker to say early this year, (*N.Y. Times*, Feb. 15, 1943, p. 8), that labor should be willing to work an extra eight hours a week without overtime pay, while adding that the President's \$25,000 salary limitation was wrong because it would eliminate incentive!

² See below, pp. 78-79.

the brunt of the opposition, so long as no substantive damage resulted. These various forces and counterforces have brought the blocking of many bad bills, but have also prevented the passage of laws pointing the way toward a more satisfactory wartime wage and manpower program. Why hasn't Congress been in a position to take positive leadership in this field?

CONGRESSIONAL MACHINERY

Congressional machinery is also poorly adapted to the development of coordinated planning in the wartime labor field. It has already been noted that industrial labor problems have been handled by four or more different committees in each house. In addition, agricultural manpower has been the concern of the two agriculture committees and the agricultural subcommittees of the committees on appropriations. Not only does this overlapping of committee functions mean piecemeal consideration of over-all manpower and wage problems, but it is extremely wasteful of the time and effort of important military and civilian officials. The hearings on the draft laws early in 1943 are a case in point. A few days after General Marshall had carefully explained to one committee why the Army needs so large a force, another committee called him before it for the same purpose. As Walter Lippmann recently put it, wasting the time of the Chief of Staff is far more wasteful than having too many clerks in government bureaus.

Yet the foundation for more efficient Congressional machinery is already laid. The Senate's Truman committee¹ and

¹ The Special Committee to Investigate the National Defense Program, with Senator Truman as Chairman. This Committee has done a splendid job in covering the whole range of wartime policy-making and administration in a constructively critical way.

the House's Tolan committee have pointed the way by which Congressional committees can function more intelligently. These committees have developed well-informed, coordinated, and constructive programs for improving both legislation and administration in the labor field and other areas of wartime government. Their success is due primarily to the ability of the members (incidentally, their average seniority is low); to the fairly good balance between regions and between rural and urban interests; and to the aid of special technical staffs. As a result, they have looked at problems under examination from a national viewpoint and have related activities in one area of the home front to other important areas. The Executive branch has several times acted according to their recommendations for improving war management in labor and other fields. But their own Congressional colleagues have largely ignored their findings with regard to constructive manpower legislation.

Chapter IV

FOOD PRODUCTION AND PRICE CONTROL: THE RECORD

Wartime government farm and food policy must have two major objectives: (1) to assure that the prices of the more essential farm products are high enough, both absolutely and relatively, to get the production needed to meet war demands; and (2) to prevent food and farm prices from getting out of hand in the vicious spiral of inflation.¹ While these two objectives are partially conflicting, it is possible, by proper governmental action, both to realize them and to reconcile them successfully. Have our governmental attitudes and machinery proved adequate for this task?

With this basic question in mind, the pre-war and wartime record of Congress and Executive officials in the fields of commodity loans, price floors and price ceilings will first be examined. The record is followed by an examination of those governmental factors which have prevented legislators and

¹ Actually, there is a third major objective, which will be barely touched on here: (3) to allocate total food supplies among civilians and other claimants, including the armed forces and our allies, and to assure equitable distribution of civilian food supplies on the home front. Rationing—like taxation—is, of course, an important means of supplementing price control in the battle against inflation. In the *Wartime Farm and Food Policy Series* (Iowa State College Press, 1943), certain aspects of rationing have been treated in Pamphlet 4, *Food Rationing and Morale*, by C. Arnold Anderson; while the relation between the food program and taxation has been treated in Pamphlet 8, *Food Management and Inflation*, by M. J. Bowman and A. G. Hart.

administrators from formulating sound farm and food policies, and putting them into effect.

A. THE RECORD BEFORE PEARL HARBOR

The war was preceded by almost a decade of broad control established over agriculture. "Overabundance," not scarcity, was the specter that haunted farmers, farm leaders, legislators, and administrators during this period. Government action was used to raise farm prices by restricting production, by storing surpluses, and by other means. Those aspects of the prewar record having a decisive effect on wartime policy-making may be summarized briefly:

PARITY PRICE

1. In 1933 Congress established *parity price* as the legislative standard of "equality for agriculture." For most products, the parity price formula was based on the relationship existing in 1910-14 between their prices and the prices of things farmers buy. The Agricultural Adjustment Administration was created to attain this and other legislative goals.

2. In 1935, Congress revised the general parity formula to include interest and taxes paid by farmers, thereby raising parity prices somewhat. At the same time, the inclusion of farm wages was considered but rejected because such action then would have lowered parity levels. As the actual prices of fluid milk and tobacco rose above their existing parity prices, Congress changed their base periods primarily for the purpose of raising the parity prices of these commodities.¹

¹ John D. Black, *Parity, Parity, Parity*, Cambridge, Mass., 1942, pp. 55-56 and chart I, p. 69; p. 59; pp. 59-62, 146; and H. R. Tolley, "'Parity' Rediscovered," Bureau of Agr. Econ., mimeo. release of Aug. 26, 1942.

THE COURSE OF COMMODITY LOANS

3. Meanwhile, in 1933, the President had established the Commodity Credit Corporation under the authority of the National Industrial Recovery Act. With the demise of this authority in 1935, Congress specifically authorized continuation of the Corporation. The Secretary of Agriculture had full discretion to establish commodity loan rates, which were initially fixed at such levels as to hold certain farm products in storage in years of large crops and release them in years of small crops. By evening out their flow into consumption, it was hoped to stabilize the prices of cotton, wheat, corn, and tobacco from year to year.

4. In 1938, however, Congress began to tie minimum commodity loan rates to the 1910-14 price relationship. The Secretary of Agriculture might not establish loan rates below 52-75 per cent of parity. As a result, surpluses of cotton, corn, and wheat continued to pile up in government hands. And, in the same year, Congress ruled that government-owned cotton stocks, acquired at this high loan "price" established by Congressional action, could not be sold at a loss, and further provided that they could be sold at all only in limited specified amounts per month and per year.¹

MEETING DEFENSE NEEDS

5. With the fall of France in mid-1940, the President, through powers asserted under his declaration of a state of emergency, revived the old Advisory Commission of the Council of National Defense, from which most of the present war agencies gradually evolved. Responsibility for food

¹ For the original text of the statutes here referred to, *see* the convenient *Compilation of farm legislation* to Jan. 2, 1942, issued by U.S. Dept. Agr., AAA, 1942.

production and distribution continued to rest in the Secretary of Agriculture, however.

6. In May 1941, Congress raised the minimum loan rates on cotton, corn, tobacco, and wheat to 85 per cent of parity. This meant that commodity-loan rates were to be used even less for price stabilization and more for price raising—without regard to stocks on hand or the future need for them. In December, this 85-per cent limitation was extended to the crops from 1942 to 1946 inclusive.

7. By late 1940, it was apparent that domestic and lend-lease needs required the immediate expansion of livestock products. In April 1941, the Secretary of Agriculture announced price floors for hogs, butter, chickens and eggs without regard to parity. In July, Congress passed legislation providing that the Secretary should, when he finds it necessary to encourage expansion of production of such products,¹ support their prices at not less than 85 per cent of parity.

8. In April 1941 the Office of Price Administration was created by the President.² He was able to delegate all the price-control powers of the executive authority dating from the war legislation of 1916–18. But, with the mounting threat of inflation, he called upon Congress, in July 1941, for legislation granting still broader powers in fixing ceilings on rents and commodity prices.

AS WE ENTERED THE WAR

With our entry into the war, the need for the expansion of certain farm products—especially vegetable oils, dairy products and meats—was intensified. The existence of huge

¹ All farm products other than the “basic” commodities—cotton, corn, wheat, tobacco, and rice. In this particular act, peanuts were included with the “non-basic” commodities.

² Executive Order 8734, *Federal Register*, Apr. 15, 1941, pp. 1917–19.

corn and wheat stocks¹ and underutilized agricultural resources suddenly became major wartime assets. But these assets could be made use of only by a complete reversal of government farm policy: the release of government-owned grain stocks at a price low enough to encourage feeding and the removal of all restrictions on corn and wheat production.

Our huge stocks of the lower grades of short-staple cotton, on the other hand, were of little value to the war effort. It was therefore imperative that we convert much of our short-staple cotton resources to more essential uses. This called for a much wider spread between the loan rates on the different grades of cotton, and required the sale of government-owned stocks, in order to discourage additional production and storage of the less essential grades.²

Price floors had already been introduced as an administrative tool for directing food production. By eliminating price uncertainties, they offered a valuable means of inducing a rapid expansion of essential food products. Their successful use, however, called for boldness and foresight on the part of administrators and a willingness on the part of Congress to hold down the general level of farm prices, so that the proper *relative* prices between essential and non-essential farm products could be effectively established.

Finally, we entered the war at a time when the danger of inflation, both in farm and in food prices, was growing rapidly.

¹ This fortunate outcome was, of course, merely an unforeseen by-product of three years of Congressional pressure aimed at raising grain prices. Had the war not intervened, these accumulating grain surpluses in government hands might well have led to a major fiasco comparable to the experience of the Federal Farm Board a decade earlier. See Geoffrey Shepherd, *Commodity Loans and Price Floors*, Pamphlet 6, Wartime Farm and Food Policy Series, Iowa State College Press, 1943, pp. 9-10.

² Compare T. W. Schultz, *Farm Prices for Food Production*, Pamphlet 2, Wartime Farm and Food Policy Series, Iowa State College Press, 1943, pp. 31-34.

The OPA was already in existence. The importance of food in the cost of living made control of food prices increasingly vital. Considerable administrative flexibility, in fixing ceilings on food and farm products, was therefore highly important. And coordination between the agencies responsible for expanding production and managing food prices was essential.

The coming of the war necessitated a quick reversal of peacetime farm policy. The new situation was full of peril. It had in it much to make rapid change not only possible but probable. What was the actual outcome?

B. THE RECORD SINCE THE WAR BEGAN

Since Pearl Harbor, farm prices have pushed upward. Some have risen more than was necessary to induce their production, hence contributed to inflation. Some have risen less than was conducive to essential production. In this picture, the parity price formula has been one of the major obstacles to sound policy.

The highlights of wartime farm price policy are as follows:

1. In January 1942, the Secretary of Agriculture announced price floors for soybeans, peanuts, and flaxseed at double their existing market prices. The large expansion in essential vegetable-oil production during 1942 showed clearly what specific price increases could do in meeting war demands.

2. About the same time, six months after the President had requested it, the Emergency Price Control Act became law. But this law specifically limited the Price Administrator's discretion in imposing price ceilings on farm products. For minimum ceilings he had to choose whichever was highest of four alternative prices. Since one alternative was 110 per cent of parity, Congress thus made certain that no farm product would have a price ceiling below this level, although it might be higher.¹ No price ceiling could be placed on food

¹ For all farm products, the various alternatives apparently required an

products at wholesale or retail levels that would force the farm price below the minimum price ceilings permitted for it. In addition, any farm price ceilings imposed must have prior approval of the Secretary of Agriculture.

3. On April 27, 1942, the President, in an anti-inflation message, called for repeal of the 110 per cent of parity provision.¹ The following day, the OPA froze prices and rents at the highest March levels on all commodities except those foods which had not yet reached levels permitting the establishment of price ceilings.²

4. In July, Congress consented to allow the Commodity Credit Corporation to sell a limited amount of its huge stocks of wheat for livestock feeding.

5. In August, Secretary Wickard stated that "the 110 per cent provision is being pointed to by other groups to prove that farmers are asking for more than their share. It is being used as an argument to slow down economic controls in other fields. Under present circumstances, I believe it would be wise to repeal this provision."³ Delay in providing this farm legislation led the President in early September to announce his determination to correct the situation by using the authority available to him under existing emergency powers unless a new policy was enacted by October 1.

average level of 115 per cent of parity for farm price ceilings, as compared with an actual average of 102 per cent of parity at that time. The Senate voted to include industrial wages in the parity formula but this provision was dropped in conference with the House.

¹ He also requested adequately heavy taxation, a prime essential to effective inflation control still lacking a year and a half later. See M. J. Bowman and A. G. Hart, *Food Management and Inflation*, Pamphlet 8 of the Wartime Farm and Food Policy Series, Iowa State College Press, 1943.

² *Federal Register*, Apr. 30, 1942, pp. 3153-58.

³ A year earlier, Secretary Wickard had actively supported this provision, however.

6. Congress met the deadline by providing that the Price Administrator could not impose ceilings on farm products below the higher of two alternatives: (1) parity price, or (2) the highest price in 1942 up to September 15.¹ The specific addition of farm labor costs to the parity formula was much debated, but the final act merely provided that "adequate weighting shall be given to farm labor."

7. The same act raised the minimum commodity loan rate on "basic" commodities from 85 to 90 per cent of parity (except where such a step would adversely affect livestock feeding). And it provided that price floors could be used only for expanding (not contracting) production, and raised the 85 per cent minimum to 90 per cent. Both changes were made for the duration of the war and two calendar years thereafter.

8. The next four months saw several important administrative changes. In October 1942, Mr. Byrnes was appointed to direct the stabilization of prices and wages.² At that time his main job, in the food field, was to referee disputes between Secretary Wickard and Price Administrator Henderson over farm and food prices. In December the Department of Agriculture was reorganized and Secretary Wickard was made Food Administrator.³ And, when Congressional dissatisfaction with OPA threatened to result in a crippling cut in its appropriations, Mr. Henderson resigned. In January 1943, Senator Brown was named as his successor.

9. Early in 1943, two attempts were made in Congress to redefine parity in order to raise prices to higher levels. The Pace bill would have included farm labor costs on a com-

¹ By September the average level of farm prices was, according to Bureau of Agricultural Economics figures, 57 per cent above January 1941 and was 107 per cent of parity.

² Executive Order 9250, *Federal Register*, Oct. 6, 1942, pp. 7871-74.

³ Executive Order 9280, *Federal Register*, Dec. 8, 1942, pp. 10179-81.

modity basis, raising most the parity prices of those products with the highest labor requirements—cotton, tobacco, and dairy products. The Bankhead bill called for exclusion of government payments to farmers in calculating the parity prices of “basic” commodities—notably cotton, corn, tobacco, and wheat.

10. The Pace bill passed the House, but was returned to the Senate agriculture committee through the action of a coalition of Democrats and Republicans. Its failure was attributable to opposition from Corn Belt agriculture, which stood to gain little from the bill; to the statesmanship of a few leaders of both parties; and to the salutary appointment in March of Mr. Chester Davis as Food Administrator.¹

11. The Bankhead bill was vetoed by the President as highly inflationary, at a time when labor was threatening to break through the wage stabilization formula. When it became apparent that there were insufficient votes to override the President’s veto, the bill was returned to the Senate agriculture committee. Both the Pace and Bankhead bills still remain as a potential weapon to raise farm prices further, if industrial wages are not held in check. In June, however, the Senate significantly refused to attach the Bankhead bill as a rider to the agricultural appropriations bill.

12. In April 1943 the President ordered all war agencies to “hold the line” against further increases in prices and wages.² And in early May came the order to “roll back” selected retail

¹ Executive Order 9322, *Federal Register*, Mar. 30, 1943, pp. 3807–09.

² Executive Order 9328, *Federal Register*, Apr. 10, 1943, pp. 4681–82. By April, farm prices stood at 114 per cent of parity, reaching 115 per cent in May. In May, the index of farm prices was 15 per cent higher than in September 1942 and 23 per cent higher than May 1942. The index of cash income from farm marketings (adjusted for seasonal variations) was 35 per cent higher in the first quarter of 1943 than in the same period of 1942 (U.S. Dept. Agr., *Agricultural Situation*, June 1943, p. 8).

food prices which Congress, before its summer recess, failed to countermand.

13. In late May, the President established the Office of War Mobilization, headed by Justice Byrnes, and composed of Secretaries Stimson and Knox, Harry Hopkins, Production Chief Nelson and Judge Vinson, who was appointed to succeed Mr. Byrnes as Economic Stabilizer. Mr. Byrnes was given "full authority" to direct and coordinate all war agencies and departments. In late June, Mr. Chester Davis resigned as Food Administrator and was immediately succeeded by Judge Marvin Jones.

C. WHAT DOES THE WARTIME RECORD SHOW?

OUR ACCOMPLISHMENTS

Since the war began, American agriculture has broken all records in the volume of its production. In 1942, for example, pork and lard production was 24 per cent over 1939; beef and veal production up 28 per cent; chicken production 20 per cent greater and eggs showing an increase of 38 per cent. Total milk production had increased by 8 per cent, feed crops, excluding wheat, by 9 per cent and oil crops by 127 per cent.¹ These figures attest to the excellence of the response of agriculture to wartime needs. Not only have we had to feed a harder-working civilian population and our rapidly expanding armed forces, but to meet the tremendous demands of our allies as well.

The extent to which American farmers and processors have met these needs reflects the patriotism and self-sacrifice with

¹ The principal decreases in production between 1939 and 1942 were potatoes (8 per cent), cotton (4 per cent) and tobacco (30 per cent). Data are from Pamphlet 2 (Table I) of the Wartime Farm and Food Policy Series, previously referred to

which they have pitched in to the stupendous job at hand, even while manpower, farm machinery and transportation facilities were becoming ever scarcer. It also suggests the public spirit and foresight of those legislators, administrators and farm organization officials who have furnished the guidance and leadership so essential to achieving production goals. Furthermore, the rise in food prices—while not completely halted—has been brought under rein. And our grocery lists show that—with the aid of a successful food rationing system—American consumers have begun to adjust their personal eating habits to the needs of war.

However, great as our accomplishments have been, we cannot afford to waste our agricultural resources by producing the wrong things or by using these resources below capacity. It is, therefore, necessary to strengthen the farm and food front still further. It is possible, in retrospect, to determine some of the major defects of wartime farm and food policy. Such a critical survey can be constructive only if it helps to point the way to changes in governmental machinery by which the wartime food program might be improved for the decisive period that we are now entering. With such an end in view, we may summarize some of these defects very briefly, since they have been rather thoroughly covered elsewhere.

SOME DEFECTS IN CONGRESSIONAL ACTION

Since Pearl Harbor, legislative action on farm and food prices has failed to make that change of direction which the war situation demanded. Administration of the food program has frequently been hindered by the all-pervasive parity price provision. By tying food price ceilings to parity, Congress allowed many food prices to rise uncontrolled during most of 1942.

And by relating farm price ceilings to parity, Congress permitted some farm prices to rise too much and others to be

pegged too low.¹ Instead of favoring the more essential farm products, wartime legislation has—if anything—discriminated in favor of such less essential products as wheat and cotton, the prices of which were allowed to rise unduly. Proper use of price floors in expanding production of the more essential products was handicapped by the continued rise in the legislated prices of these less essential crops and the low levels at which OPA was allowed to place wholesale and retail ceilings on such essential products as fluid milk, lard and vegetable oils. Under these circumstances, the creation of a *relative* price structure by which farm resources could be converted from less essential to highly essential commodities was made difficult.

Thus, the record shows that Congress has, with the parity price formula, circumscribed the major techniques of meeting wartime production needs and has made it more difficult to check inflation.²

SOME DEFECTS IN EXECUTIVE ACTION

As restrictive as it was, legislation cannot be blamed for all the defects in wartime farm and food policy. Administrators delayed action, made faulty decisions and announced half-hearted measures when bold and coordinated plans were needed.

The Department of Agriculture, by clinging to the parity symbol itself, lent support to faulty price legislation. It had a fear of surplus wholly unjustified in view of our commitments to ship food to our allies. A needed expansion of corn and wheat might have occurred if acreage restrictions on corn and wheat acreage had been removed in 1942 or earlier. When

¹ See Pamphlets 2 and 6 of the Wartime Farm and Food Policy Series, by Schultz and Shepherd respectively, previously referred to.

² See Pamphlet 8, by Bowman and Hart, in the Wartime Farm and Food Policy Series, previously referred to

it did come in early 1943, the release of wheat acreage from restrictions was poorly timed, coming long after winter wheat had been planted. No attempt was made to restrict cotton acreage further, this undoubtedly being considered a political impossibility.

The OPA too long delayed the extension of consumer rationing to the major food products. Prosecution of price violations was both slow and inadequate. At the same time, effective voluntary compliance was prevented by the failure to make use of broad educational programs. The importance of public cooperation based on knowledge was underrated.

Other difficulties arose because of conflicting authority between different war agencies. In January 1943, the Department of Agriculture recognized the need for raising price floors on oil crops further, but price ceilings on oil products were fixed by OPA at so low a level that processors were already severely squeezed. OPA refused to raise ceilings, forcing the Department to use the alternative of subsidy procedures in spite of Congressional opposition. Similar conflicts, between the two agencies, over retail price ceilings on fluid milk and proposed ceilings on live hogs, delayed much needed action in maintaining adequate production and distribution. And the War Production Board cut 1942 production of farm machinery to too low a level over the protests of Secretary Wickard.

Chapter V

BEHIND THE WARTIME FOOD PROGRAM

Now that we have surveyed the record of wartime farm and food policy and some of its defects, we may again probe into the governmental process in an attempt to determine how governmental attitudes and machinery may have helped to encourage and magnify these shortcomings.

A. SOME FACTORS UNDERLYING LEGISLATION

Apart from the shortcomings of Executive leadership,¹ the defects of wartime farm and food legislation have been largely due to the inadequacies of present Congressional attitudes and machinery—especially the strength of certain commodity interests, the predominance of rural interests, and the prevailing attitudes of most Congressmen from agricultural states. These inadequacies may best be illustrated by an analysis of the Senate and House agriculture committees, after which the other Congressional committees handling farm and food bills will be examined more briefly.

No governmental bodies have a bigger share in framing farm legislation than the agriculture committees of the Senate and House. For example, among the bills which they have recommended out favorably in the past few years were the 85 per cent “basic” commodity loan bill of May 1941 and the recent Pace and Bankhead bills. These committees are expected to give farm bills detailed study and to select and whip into shape those bills which they wish to recommend for

¹ See below, pp. 80–83.

legislative enactment. In performing this function, it is important that they consider farm measures not only from the standpoint of agricultural welfare but also (especially in wartime) from the broader viewpoint of the public welfare as well. How well equipped are these committees to take this broader viewpoint?

STRENGTH OF CERTAIN COMMODITY INTERESTS

American agriculture itself is a complex of conflicting interests and groups. The war has brought this fact into bold relief. The parity standard favors certain agricultural groups—cotton, wheat and tobacco producers; while indirectly, at least, acting against the interests of others—notably those producing livestock and dairy products. It is the latter products that are most essential to our wartime needs. Yet it is the cotton, wheat and tobacco interests that dominate the Senate agriculture committee.

In June 1942, the Senate Agriculture Committee (Table IV) had 20 members, of whom 8 (one of these was the chairman) were from the Cotton South and 4 from wheat states of the Great Plains. There were 2 members from dairy states and only 3 from the Corn Belt proper. As of the same date, the House agriculture committee was more representative commodity-wise. Of its 24 voting members, 9 (including the chairman) were from the Cotton and Tobacco South and 2 from wheat states. There were 5 members from dairy states and 5 from the Corn Belt.¹

This commodity representation is important largely because the committee members tend to vote—there are, of course, a few outstanding exceptions—as representatives of the commodity interests in their state or district. In so doing, it is the cotton and tobacco group that wields the greatest influ-

¹ See Appendix Table C.

ence. Because of the traditional focus of the South on these two crops, which are the principal sources of cash income for

TABLE IV

REGIONAL AND STATE REPRESENTATION ON CONGRESSIONAL
COMMITTEES ON AGRICULTURE, JUNE 1942†

Region	Senate Agriculture Committee		House Agriculture Committee	
	States Represented	Number of Members	States Represented	Number of Members
New England	Vermont	1	.. . . .	0
Mid Atlantic . . . .	.. . . .	0	N.Y., N.J., Pa.	3
East North Central . . .	Ind., Ill.	2	Ohio, Ind., Ill., Mich., Wisc.	5
West North Central	Minn., Iowa, S.D., Nebr., Kans.	5	Minn., Iowa, Mo., Nebr., Kans.	5
South Atlantic. . . .	S.C., * Ga.	2	Va., N.C., S.C., * Fla.	4
East South Central . .	Tenn., Ala., Miss.	3	Ky., Ala.	2
West South Central..	Ark, La, Okla.	3	Okla. (2), Tex. (2)	4
Mountain.....	Mont, N. Mex, Nev.	3	.. . . .	0
Pacific.....	Ore.	1	Ore	1
Territories. . . .	.. . . .	0	Hawaii, P R.	2
Total... .	.. . . .	20	.. . . .	26

† Because the bulk of the successful wartime farm and food legislation was passed before the elections of November 1942, the committee memberships given here are those of 1942 rather than of 1943. In March 1943, the following changes in memberships had taken place. *Senate agriculture committee*: North Dakota for Nebraska, Colorado for Nevada. *House agriculture committee*: New Jersey, Michigan and Nebraska out; Georgia, Tennessee, Utah and Colorado gaining seats; California for Oregon

* Chairmanship of Committee.

most Southern constituencies, members of Congress from this region are decidedly commodity-minded. There appears to

be a somewhat similar tendency among the representatives of the specialized wheat states. This influence is intensified by the effects of seniority. It is no mere coincidence that, in 1942, both agriculture committee chairmen were from cotton states, and both ranking minority members were from wheat states.¹ It reflects the relative political stability of the South and the personal political strength of certain Congressmen from the Great Plains,² which elect the same members to Congress term after term. Since the Chairman of a committee is automatically the man in the majority party with the longest service on that committee, this favors those regions which consistently support one party or individual.³

Not only have most of the dairy and corn states been less stable politically in the past decade but their agriculture is usually more diversified—leading to a greater variety of interests within agriculture itself. In addition they are, on the whole, much less rural. As a result, especially in the Senate, they are more likely to have to compromise the interests of different commodity groups and of both rural and urban districts. This does not, of course, mean that representatives of the corn and dairy states necessarily act any less regionally than do cotton, wheat, and tobacco Con-

¹ Furthermore, on the Senate Committee, all of the first 5 ranking Democrats and 2 of the 3 ranking Republicans were from cotton, tobacco, and wheat states. On the House Committee, 4 out of the 5 ranking Democrats and 1 out of the 3 ranking Republicans represented cotton and tobacco. Of these 16 ranking members, 5 represented cotton, 5 wheat, 2 tobacco, one each dairy and corn, and 2 other commodities.

² Including, in 1942, Senators Wheeler, Norris and Capper and Representative Hope of Kansas.

³ The attitude of the Committee chairman is especially important, because he largely determines when the committee meets, what bills are to be placed on the committee's calendar, when, if at all, they shall be considered; and carries the burden of the fight, on the floor, for bills recommended for enactment.

gressmen. Thus, most corn state representatives went along on the 85 per cent "basic" commodity-loan bill in May 1941, although cotton and wheat stood to gain most.¹ The dairy interests objected because dairy products were not covered by the bill. Two months later, when minimum price floors on dairy products were tied to 85 per cent of parity, the dairy states were ready to join. Nevertheless, given present Congressional committee organization, corn and dairy state Congressmen have had somewhat less opportunity to make their commodity interests felt.

These factors explain in some measure why bills recommended out of the agriculture committees have tended to favor cotton, wheat and tobacco. But the conflicts between commodity interests, while reflected in debate on the floor,² have seldom been severe enough to break the solidarity of the farm-state representatives when such bills were actually put to a vote. This fact is a tribute to the great unifying force of the socio-political "parity principle" (quite apart from any current specific parity-price formulas) in rallying American agriculture and its Congressional representatives in recent years.³

The recent Pace bill, recommended out favorably by the agriculture committees, is an important exception. On this bill, there was a real split—largely along commodity lines—in farm support and within some of the national farm organi-

¹ Under the provisions of the 1938 Act, the Commodity Credit Corporation was, in the spring of 1941, actually making loans on wheat at 57 per cent of parity and on cotton at 56 per cent of parity. The actual loan rate on corn, however, was already at 75 per cent of parity.

² Thus, Senator Barkley—after prefacing his remarks by announcing that he planned to vote for the Bankhead parity bill—devoted most of his speech to its dangerous inflationary implications. This is not an at all uncommon phenomenon. (See *Congressional Record*, Feb. 25, 1943, pp. 1347-48.)

³ T. W. Schultz, *Redirecting Farm Policy*, Macmillan, 1943, pp. 11-15, 18-19.

zations as well. Thus, opposition from the Corn Belt was an important factor in its defeat.

PREDOMINANCE OF RURAL INTERESTS

During wartime, in particular, farm policy and food policy are closely interrelated, bringing the possibility of a marked conflict between rural and urban interests. On the agriculture committees, however, rural interests strongly predominate. Of the 48 states, 20 have an urban population greater than their rural population. In June 1942, these 20 states had only 2 (out of 20) seats on the Senate agriculture committee. On the House committee, these states had 10 out of 24 memberships, but 9 of these 10 members came from rural districts. Two-thirds of the members of the Senate committee, and one-third of the House committee, came from states whose rural population is 60 per cent or more of their total population.¹ The nine Northeastern states, with 37.0 per cent of the nation's urban population and 27.4 per cent of the total population, had 5 per cent of the seats on the Senate committee and 12 per cent on the House committee.²

Why are urban interests underrepresented on the agriculture committees? In the Senate, of course, all states—regardless of population—have the same number of Senators. This fact in itself almost necessitates that rural interests have disproportionate weight.³ And it is only natural that mem-

¹ See Appendix Table A. Because Senators are elected on a state-wide basis and because the urban vote is better organized and more vocal, 60 per cent rural is probably a better dividing line than 50 per cent for those states with large cities.

² See Appendix Table B. These states have 14.7 per cent of the nation's rural population.

³ To cite a familiar example, the 110,000 people (61 per cent rural) of Nevada and the 13,400,000 people (17 per cent rural) of New York each have two Senators.

bers of Congress from rural states or districts would gain prestige with their constituents by being a member of the agriculture committee, while their urban colleagues might not. Furthermore, by interest and knowledge, Congressmen from farm states are better equipped to deal with the technical aspects of farm legislation. But the fact remains that, by such composition, the agriculture committees tend to bring farm interests rather than national interests to the forefront in committee deliberations.¹

PREVAILING ATTITUDES OF FARM-STATE CONGRESSMEN

Since only committee members have a chance to watch the pull and haul of legislative drafting at close quarters, and can put in the time to study issues closely, this special-interest pattern of committee organization means that only members of Congress whose constituents are farmers are really well-informed on farm legislation in process. Not only are these members, at best, under constant pressure to put regional and national agricultural interests ahead of the general public interest, but they are seriously handicapped, in deciding what public interest means, by the absence of colleagues with non-agricultural points of view. This problem is intensified by

¹ The agriculture committees are not, of course, the only committees in which a balance of interests is lacking. The committees on mines, manufactures, merchant marine and fisheries, and irrigation, for example, are made up of members from states in which these activities concentrate. And we have seen (above, p. 37) that the labor committees consist of fairly strong contingents from metropolitan areas and other regions where organized labor is important. What is questioned here is not the composition of the agriculture committees as such, but rather the general principle of committee organization, by which a better balance of special interests is not achieved.

the firm and sincere conviction—which so many Congressmen hold—that they represent farmers and farmers only.¹

When the “basic” commodity loan bill of May 1941 was up for discussion, the chairman of the House agriculture committee replied to the opposition of representatives of dairy states as follows: “. . . the only opposition to the bill comes from selfish interests . . . I am interested in agriculture from a national standpoint and not from a sectional standpoint or the standpoint of any particular commodity.”² Despite his undoubted sincerity, it is nonetheless true that his particular region and commodity stood to gain from this bill while the dairy states and dairy products did not.

The particular composition of the agriculture committees makes it much easier for the leaders of organized agriculture to shape the direction which farm legislation takes. The leading members of the agriculture committees and national farm organization leaders commonly consult before proposed legislation is brought into the open. Both sets of leaders stump the country on behalf of farm measures; and both use their influence on members of Congress inside and outside the committees.³ There is, of course, nothing inherently

¹ In 1941, one of the most influential members of the Senate, and its agriculture committee, expressed this view as follows: “. . . there are in the Department of Agriculture, a department which should be representing the farmers to help them get a fair deal and obtain justice, some theorists who assert that they are representing the consumers and not the farmers. Every one of them should be eliminated from the Department of Agriculture.” (*Congressional Record*, May 6, 1941, p. 4020.) At least part of the recent opposition to OPA (for instance, on grade-labelling) has been based on a similar antagonism to consumer-mindedness.

² *Congressional Record*, April 29, 1941, p. 3415.

³ It should be added that Department of Agriculture officials, like members of the agriculture committees, frequently do likewise. The Department joined farm leaders and farm-state Congressmen in formulating most of the parity-price legislation. A similar attitude toward labor is common among the officials of administrative agencies concerned with labor policy.

(Continued on p. 63.)

wrong in this essential aspect of the legislative process. Private "pressure groups" are here to stay and have an important and constructive role to fill. Nevertheless, the growing importance and strength of special-interest organizations of various kinds suggests the necessity of adapting Congressional organization in such a way as to attain a better balance of special-interest groups. Only by some move of this sort can the power for good of such groups be harnessed in the broader if more abstract national interest.

OTHER CONGRESSIONAL COMMITTEES HANDLING FARM AND FOOD BILLS

Two other Congressional committees have had an important hand to play in wartime farm and food legislation—the agriculture subcommittees of the Senate and House Committees on Appropriations and the two Committees on Banking and Currency.

So large is the task of the appropriations committees that agricultural subcommittees handle the job for the administrative agencies and departments dealing with agricultural problems. Thus, 13 of the 25 members of the Senate appropriations Committee and 8 of the 43 members of the House committee, serve this subcommittee function. Because they control the purse strings—the most potent Congressional weapon against the Executive branch—these subcommittees are in a position to exercise great power. In June 1942, the Senate subcommittee had 10 (out of 13) members, and the House 5 (out of 8) members, from states whose rural population exceeded their urban population.¹ On the Senate sub-

The recent multiplication of such administrative agencies is undoubtedly partly due to the desire of each special-interest group (for example, railroad labor and coal miners) to have an agency devoted to its own particular field of interest (compare Herring, *Presidential Leadership*, pp. 117-18).

¹ See Appendix Table A.

committee, there were 3 members from dairy and corn states, 4 members from cotton and wheat states, and 6 from other states. In the House, there were 4 representatives of corn and dairy states and 4 from cotton and wheat states.¹

The banking and currency committees, being much broader in scope, make an interesting contrast to the committees just examined. In 1942, of the 20 members of the Senate banking committee, only 9 were from states with a rural population exceeding their urban population. On the corresponding House committee, the comparable figures were 8 out of 25. Furthermore, 9 of the 17 urban-state representatives on the House committee were from metropolitan districts.² In addition, the more urban regions fared relatively well in their proportion of the total memberships on the two banking committees. These committees handled the Steagall price-floor amendment of July 1941 and the price-control bills. It is therefore instructive to examine the legislative history of two of these bills.

The Steagall amendment was pressed primarily by the House banking committee and the Department of Agriculture, receiving only hasty consideration in the Senate before its final passage. This amendment was attached to a bill extending the life and resources of the Commodity Credit Corporation. It directed the Secretary of Agriculture to use Corporation funds for supporting price floors on "non-basic" commodities, at not below 85 per cent of parity, if current needs required an expansion of their production.

Despite the parity provision, however, this amendment marked an important forward step in pricing for production needs. It permitted the Department for the first time to use Corporation funds for farm products other than the "basic"

¹ See Appendix Table C.

² See Appendix Table A.

commodities. It at least put the more essential products psychologically on an equal footing with the less essential "basic" commodities, which already had minimum commodity-loan rates of 85 per cent of parity. And, for the duration at least,¹ the 85 per cent minimum for price floors was so far below the levels necessary for getting production that it did not have the effect of pricing the more essential products too high.

On the first price-control bill, the House banking committee again took the lead. Chairman Steagall introduced the Executive's bill in August 1941, "with only a limited number of changes . . . to preserve for agriculture the benefits of existing legislation and . . . a reasonable latitude above parity price."² It was primarily the committee members from the cotton states³ who were concerned about the original agricultural provisions of the price control bill, which from the beginning contained the 110 per cent of parity clause and one alternative—the market price of a recent date. It was argued that the second alternative would permit livestock ceilings well above parity "but no section does justice or gives equality to the three basic commodities, wheat, corn, and cotton."⁴ In deference to the cotton interests, a third alternative was later added.

¹ In the price control act of September 1942, however, the minimum level of price floors (raised to 90 per cent of parity) was extended to two years after the war ends—a much more questionable provision (see Pamphlet 6 of the Wartime Farm and Food Policy Series, by Geoffrey Shepherd).

² House Committee Hearings, p. 1.

³ Of the 25 members of the committee, there were 7 (including the chairman) from cotton states and one from a tobacco state. Four others came from corn states, none from wheat states (Appendix Table C).

⁴ House Hearings, p. 2121. Representative Crawford of Michigan appears to have been the only member who recognized the inconsistencies of parity price and inflation control (see his excellent cross-examination of Secretary Wickard in the Hearings, pp. 2109–17).

Several months later, when Senator Brown reported the bill out of the Senate banking committee, he said: “. . . with respect to agricultural commodities—spurred somewhat by the fighting ability of the Senator from Alabama [Mr. Bankhead] and with some reluctance on the part of many of us on the committee—we decided that we would place a limitation upon the power of the Price Administrator, moved, I say, greatly by the contention that agriculture had been below the parity-price level for some time.”¹

Once the bill was on the floor, the amendment was added requiring that the Secretary of Agriculture approve all farm price ceilings fixed by the Price Administrator. The three criteria for minimum farm ceilings, apart from 110 per cent of parity, were added from the floor to favor various commodity interests. The agricultural phases of the bill met little opposition in conference committee. Only a Senate amendment (sponsored by the dairy and wool interests), which would have included industrial wages in the calculation of parity prices, was eliminated.

The agricultural provisions of the first price control act may not, however, be primarily attributed to the action of the two banking committees. It is true that, because of the tremendous scope of the bill and the inexpertness in agricultural matters of many members of the banking committees, a few members representing agriculture were able to wield an influence out of all proportion to their numbers. That they were able to wield such influence is, however, also evidence of the extent to which urban as well as farm Congressmen have come to accept the general idea that the economy is in better balance when agricultural prices are at

¹ *Congressional Record*, January 7, 1942, p. 43. On the Senate Committee, there were two members each from cotton, tobacco, and corn states, and one from a corn-wheat state (Appendix Table C).

"parity." The strength of the agricultural interests on the floor was such as to favor the addition of other limiting amendments after the bill was out of committee. And the tenor of Congressional attitudes at that time was such that the 110 per cent provision—backed by the Department of Agriculture and the leading farm organizations¹—was a compromise rather than the highest minimum on farm and food price ceilings that some farm-state representatives were willing to support. Eight months later, the banking committees piloted through the much-opposed bill lowering the farm price provision to straight parity.

B. SOME FACTORS SHAPING ADMINISTRATION

Like labor administration, food management has continued to be too uncoordinated and overlapping in authority. As the war agencies developed, responsibility for food production and distribution continued to rest in the Department of Agriculture, but problems of price control in the food field fell to the Office of Price Administration. It is not strange that these two agencies, one specifically directed to check price inflation and the other seeking to get maximum production, found themselves in disagreement. The responsibility for deciding when to ration food rested with the War Production Board and the actual rationing was to be carried on by OPA. Manpower problems in food production and processing were assigned to the War Manpower Commission. Allocation of fertilizers and materials for farm and processing machinery became the job of the War Production Board. Farm production goals had to be set without knowing what farm and food processing machinery WPB would make available.

¹ Principal support for the 110-per cent provision was based on the argument that, due to seasonal fluctuations in farm prices, the 110-per cent limit was necessary if such prices were to *average* parity. Secretary Wickard actively concurred in this position.

Months might elapse between a request for machinery by the Department of Agriculture and a decision of WPB concerning it. Farm-to-market transportation problems were the concern of the Office of Defense Transportation. The Army and Navy had two separate food purchasing agencies and the Department of Agriculture did the buying for Lend-Lease. Several agencies had a part in planning for post-war relief and hence in stockpiles.

This tremendous dispersion of authority in the food field has existed and continues to exist. Coordination was first sought by inter-agency committees. In July, 1942, the Food Requirements Committee was created. It was an advisory committee; Secretary Wickard was its chairman. Food programs proposed by the committee again met opposition from the War Production Board, the Army, and Navy. In December, 1942, Secretary Wickard was made Food Administrator. The Department of Agriculture was reorganized to tackle two major tasks: the distribution of available food among the civilian market, the military forces, and our allies; and the production or imports of food products necessary to meet these needs. But the Secretary was given no additional authority and had to depend, as before, upon the full cooperation of the many other agencies in the food field. The result was continued stalemate in developing a coordinated food program.

Meanwhile, in October 1942, Mr. Byrnes had been appointed to carry out an economic stabilization program. His main job in the food field was to referee disputes, between Secretary Wickard and Price Administrator Henderson, over farm and food prices. In January, Mr. Henderson was succeeded by former Senator Brown, who, it was hoped, would mollify those irritated and inconvenienced by price control. His policy of relaxing price restrictions and letting retail prices push upward, however, soon brought the shift of more

and more basic policy determination on food prices to Mr. Byrnes.

In late March a new crisis was reached. As a result, Mr. Chester Davis was appointed Food Administrator. Mr. Wickard, however, remained as Secretary of Agriculture. But Mr. Davis' powers, like those of his predecessor, were uncertain. He fixed farm prices in consultation with Price Administrator Brown, who in turn rationed food only under Mr. Davis' direction to do so. He was responsible for farm machinery and fertilizer, but had to ask Production Chief Nelson for them, while the Department of Agriculture distributed them. His farm-labor powers overlapped those of Manpower Chairman McNutt. And he increasingly took orders from Economic Stabilizer Byrnes.

With the establishment of the Office of War Mobilization under Justice Byrnes in May, still another layer in the administrative hierarchy was added as Judge Vinson took over Mr. Byrnes' former responsibilities, becoming a member of the War Mobilization Board as well. Despite the growing importance of food in maintaining a strong home front, Food Administrator Davis was not made a member of the Mobilization Board. Finding himself increasingly hedged in, responsible more and more for carrying out food policies (such as the price "rollback") in which he was not even consulted, Mr. Davis resigned in late June. Mr. Marvin Jones, who succeeded him as Food Administrator, was immediately given certain authority which Mr. Davis had unsuccessfully sought—memberships on the War Production Board and the War Mobilization Board. It appears likely, however, that Mr. Jones will not make the active and aggressive use of these new powers that Mr. Davis might have done.

Because of the scope of the task and the very interdependence of our wartime economy, some division of authority and overlapping of functions is clearly unavoidable. But much

of the present confusion and conflict within the food management program could have been avoided by a more complete delegation of administrative authority and a clearer assignment of functions than the President has made. The looseness with which some executive orders have been drawn may be illustrated by the following clause: "Sec. 4. In addition to the powers and authority granted by this order, and in order to carry out its purposes, the Secretary of Agriculture and the War Food Administrator, to the extent necessary to enable them to perform their respective duties and functions, shall each have authority to exercise any and all of the powers vested in the other by statute or otherwise."¹ The same order provided that the Secretary of Agriculture should continue as chairman of the inter-agency Food Advisory Committee with the Food Administrator as a member. In turn, the committee was advisory to the Food Administrator.

In the wartime food program, as in the wartime labor program,² the President has sought to solve faulty or confused administration of farm and food policy merely by establishing a new level of authority over the old. Thus the offices of the Secretary of Agriculture, the Food Administrator and the Price Administrator, and the Director of Economic Stabilization have tended to be progressively reduced from coordinating policy-making positions to those of a routine operating nature. This result follows in part because administrators, who have not proven equal to the responsibilities of their position, have been made subordinate but not removed. And administrators who were capable of doing a good job have not received adequate and clear-cut authority, without which the ablest of administrators could not cope with the job at hand.

¹ Executive Order 9334, *Federal Register*, April 19, 1943, pp. 5423-25.

² See above, pp. 27-28.

This kind of administrative situation makes for timidity, where boldness is needed, or it encourages aggressive struggles for power, where pulling together for common goals is essential. In fact, many appear to believe that success in war agencies depends more on "knife-work" than on teamwork. One might hope, however, that Mr. Byrnes would find it possible, with his apparent powers of direction and coordination, to realign the various food agencies in such a way as to overcome these demoralizing problems of food administration.



TRACKING DOWN THE SCOUNDREL
WHO RAISED THE COST OF LIVING

Chapter VI

INTERRELATIONSHIPS BETWEEN THE LABOR AND FARM PROGRAMS

The legislation and administration of both the wartime labor and farm programs have been compounded of many ingredients. Into them went much foresight, tolerance and breadth of vision, some knowledge of the size of the task to be undertaken, some willingness to sacrifice local benefits to the public interest. These were intermingled, however, with considerable ignorance and unwillingness to face the facts, some personal and political enmity and spite, much play for public power and much effort to maximize the benefits for certain regions and occupational groups.

Thus far, this study has examined the wartime labor and farm programs separately. And the governmental factors shaping Congressional action and those behind Executive action have, in both cases, been treated only in isolation. In neither program, however, can the policy defects be adequately understood without pointing out the important interrelationships between the two programs. Nor can the reasons for these shortcomings be satisfactorily explained without consideration of the polarization of labor policy in the Executive branch and of farm and food policy in the Congressional branch—and, consequently, of the failure to bridge the gap created by the separation of powers. In this section, therefore, these various interrelationships will be examined.

A. FARM-LABOR CONFLICT IN THE WARTIME RECORD

As for the proverbial problem of “the chicken and the egg,” it is impossible to say whether the defects in labor policy or

those in farm policy "came first." Actually, the two policies—one largely administrative, the other primarily legislative—have been inextricably interrelated, especially on the inflation front. Certainly the defects in each have been an important force in causing and accentuating the defects of the other. We must, therefore, briefly recapitulate the moves and countermoves which have been made in the two programs since 1940.

Early in the defense program, the President took the position that labor's "social gains," such as the 40-hour week, need not be suspended to meet defense needs. In the farm and food legislation of 1941, Congress applied a similar criterion—the preservation of agriculture's "social gains," as symbolized by the parity-price formula. In the drafting of the first price-control act of January 1942, much Congressional support for tying farm and food price ceilings to parity price was based on the argument that, if labor agencies allowed wages to rise unduly, the parity provision would assure a comparable rise in farm prices. In April 1942 the President presented to Congress his seven-point anti-inflation program, calling for general price control and wage stabilization, heavy taxation, and elimination of the 110-per-cent-of-parity provision of the newly-passed price control act. By summer the War Labor Board had its wage stabilization program under way. Its policy was handicapped, however, by the 110 per cent provision, which permitted a continued rise in many food prices.

In September, the President's demand for repeal of the 110 per cent provision was met in the second price-control act, which substituted straight parity. This act brought a much firmer stand on wage control by the War Labor Board. However, the bitterness engendered by the President's September ultimatum was enhanced by what Congress felt was misuse of the administrative discretion extended by the

September act. Furthermore, some of the manpower directives (such as the 48-hour week order) of early 1943 could be interpreted as being aimed at increasing wages by subterfuge. As a result, Congress threatened a severe cut in OPA appropriations and pressed strongly for raising parity prices by redefinition. At the same time, labor was seeking to break through the Little Steel formula. In April 1943, the President met this new crisis by vetoing the Bankhead parity bill and by ordering all agencies to "hold the line" against further increases in wages and prices.

When it became clear that the Little Steel formula was to be rigidly adhered to, pressure from organized labor—made effective by the coal strikes of May and June—brought the executive order to "roll back" retail food prices (which had continued to rise) by the use of subsidies. Congress, dissatisfied with the President's handling of the coal crisis, responded by enacting its first specific wartime labor legislation, overriding a Presidential veto in the process. And it unsuccessfully sought to countermand the use of subsidies for a price "roll back" as a means of offsetting the still rising cost of living. Finally, Congress cut OPA appropriations and put other sharp limitations on its administrative discretion.

As a result of this running battle between Congress and the Executive, the future of inflation control has constantly been in doubt. An orderly and coordinated farm *and* labor program has been impossible. What circumstances lie behind this struggle between Congress and the Executive branch?

B. FARM-LABOR CONFLICT AND THE SEPARATION OF POWERS

Traditionally, the constitutional doctrine of the separation of powers has meant, among other things, that Congress is primarily responsible for legislation while the Executive branch bears major responsibility for administration. We

have already examined some of the governmental factors which have prevented Congress from developing coordinated and positive wartime farm and labor legislation. And we have considered those governmental factors which have hindered the Executive branch in administering the wartime labor and farm programs as well as they yet need to be. Obviously, part of the solution of the problem of attaining a better wartime government rests in each branch of government adapting its attitudes and machinery in such a way as to perform its own traditional functions better.

Unfortunately, however, governmental organization is much more complex than this simple picture would imply. Government is now being called upon to do tremendous tasks—most dramatic in wartime but increasingly great even in peace. As a result, this separation of functions—upon which the separation of powers is popularly believed to rest—has for some decades been becoming more fiction than fact. The President, as both national and party leader, must be interested in shaping legislation as well as its administration. And Congress, increasingly forced to delegate very broad powers to administrators, must be concerned about constructively controlling the exercise of such tremendous administrative discretion. On wartime labor and farm policy, however, Congress and the Executive have pulled in opposite directions more often than they have pulled as a team. What kind of Executive leadership and Congressional control is behind this growing conflict between farm and labor policy?

EXECUTIVE LEADERSHIP IN LABOR LEGISLATION

Why have the President and his administrators not taken more leadership in developing a positive and constructive legislative program for manpower and wage control? It is true that the President has had farreaching and flexible powers

in making and administering labor policy without the aid of Congress. And certainly great and flexible powers were needed. But it has become increasingly clear that, in spite of its strenuous efforts to do so, the Executive branch cannot perform sufficiently well in the labor field without positive support from Congress. Had the Executive consulted more continuously with Congress on labor as well as farm policy, the probable gains might have been two. First, labor policy might have been greatly strengthened. Second, farm policy might have been improved.

On the inflation front, the President has talked about keeping both wages and farm prices in line. But to manage farm prices required positive legislation; it was possible (and, in some degree, necessary) to handle wages administratively. It would not have been difficult, however, to get Congress to make the administrative standards and procedures of wage control the subject of legislation.¹ For example, the President might have asked Congress to declare that the Little Steel formula was national policy,² might have promoted better anti-strike legislation if the present act was believed unworkable, and might have initiated legislation (which Congress included in the anti-strike act) strengthening the inadequate powers of the War Labor Board.³ The subsidy program for the price "roll-back" might have been presented to Congress (for what it is) as a temporary expedient—as a mere stop-gap measure until income taxes are substantially raised.

¹ In his excellent new book, *This is Congress* (Knopf, New York, 1943), Roland Young (pp. 210–18) recommends this type of procedure for major policies determined administratively.

² As a working rule, it might be established that the only way that individuals might enjoy a further rise in money income would be to work longer hours, to increase output, or to shift to a more essential line of work.

³ Compare above, p. 31.

The increasing stringency of the manpower situation, furthermore, has revealed the growing need for changes in existing legislation and for additional Congressional grants of power. The President's 48-hour week order, for example, appears to have been relatively ineffective in accomplishing its objective of "unhoarding" labor. In November 1942, the Truman committee offered a better alternative: "Suspending the 40-hour week in nonwar industries, with the proviso that employers be permitted to pay overtime to the extent paid in 1942." Similar bills were introduced in Congress in early 1942. Had the President taken the initiative, some sort of compromise bill on overtime requirements, creating more incentive for non-essential industries to release underutilized labor than the present order, might have been worked out with Congress.¹

Similarly, the use of the draft threat and the recent "job freeze" to transfer workers to, and hold them in, "essential" industries is merely a crude and haphazard means of accomplishing manpower allocation. Over six months ago, Mr. McNutt stated that a national service act was inevitable. Congress has, however, hesitated to grant such farreaching powers to the Manpower Commission. The Tolan Committee saw in the demands for such powers "a symptom of prevailing administrative shortcomings." The manpower agencies, as it so forcefully stated, "are not ready to assume the further responsibility for administering such an act."² In support of this view, the committee pointed to the overlapping functions and powers of these agencies, and their failures

¹ Great administrative flexibility would, of course, be necessary. Perhaps another feasible alternative would be the delegation of power to the Manpower Chairman to suspend the 40-hour week in any industry or area where it appears to be a serious impediment to the full utilization of manpower.

² Sixth Interim Report, 77th Cong., 2d. Sess., House Report No. 2589, Oct. 20, 1942, pp. 1-2.

to produce well-considered plans for allocating manpower, and for training, transporting and placing specific numbers of workers in specific industries and occupations. The Executive branch—particularly the Manpower Commission—has thus far failed to develop a comprehensive and coordinated plan in the manpower field. Consequently, it has not been in a position to support its claims, before Congress, for much needed additional powers by which manpower mobilization may be effectively completed.¹ And Congress, seeing the tremendous problems if not all the answers, has been encouraged to press for piecemeal solutions of these problems.

The negative nature of Executive leadership in the field of labor legislation has strengthened the feeling that the President was the spokesman for a special-interest group—organized labor. It is certainly in the Executive branch that the pressures of organized labor have been concentrated. Such lobbying has been less visible but relatively effective, so long as the problem was one of preventing rather than initiating Congressional action on labor matters. The result has been a growing lack of confidence in Executive labor policy. While a *joint* labor policy by Congress and the Executive might have commanded almost universal support, a *unilateral* policy from the Executive has not.

Furthermore, the recent conflicts between the Executive and Congress have speeded the growing dependence of unionism upon the Executive branch of government. This fact bodes ill for the future of representative government and the long-run interests of unionism itself. As Mr. Leiserson, formerly of

¹ In the Executive Order (No. 9139, *Federal Register*, Apr. 21, 1942, pp. 2919–21) by which it was created, the Manpower Commission was directed, among other things, to “formulate legislative programs designed to facilitate the most effective mobilization and utilization of the manpower of the country; and, with the approval of the President, recommend such legislation as may be necessary for this purpose.”

the National Labor Relations Board, recently observed, "When a labor movement begins to distrust the representative institutions of a democratic government and turns to the executive power, it is time to take thought. Some European labor movements have had reason to regret the growth of a similar sentiment in their ranks."¹

Organized labor's distrust of Congress is not wholly unfounded. Nevertheless, there is considerable evidence of unrestricted authority on the part of some union officials, some lack of democratic controls and financial accountability and, in a few areas, outright racketeering, radical agitation, and high initiation fees. That these elements have been exaggerated beyond all measure by the foes of labor is no excuse for labor's failure to subject itself to a thoroughgoing housecleaning. Such a move, far more than a growing dependence upon the Executive, would be the best way of building security against a much-feared, post-war anti-union drive. Furthermore, labor must recognize the certainty that legislation will ultimately be passed making labor's responsibilities equal to its new position of political and economic power.

EXECUTIVE LEADERSHIP IN FARM AND FOOD LEGISLATION

The President and his administrators themselves failed to advocate adequate standards of price policy for getting the food production job done. Like Congress, they have shown themselves willing to assume that parity is an appropriate guide for all purposes. In the summer of 1941, Secretary Wickard requested the Senate to require, rather than merely to authorize, that price floors not be fixed below 85 per cent of parity. He upheld 85 per cent "basic" commodity loans

¹ "An Inside View of Labor," *United States News*, Feb. 19, 1943, p. 48.

for the duration (but not thereafter), although he opposed statutory limitations on sales of government-owned stocks. In the House hearings, furthermore, he actively supported the "110-per-cent-of-parity" provisions which ultimately became law.¹ In view of this background, it is not surprising that the President's sudden reversal on the 110 per cent provision a few months later met with slow response in Congress. And, even then, the President asked merely for a return to straight parity.

Between April and August 1942, the President allowed his relationship with Congress to drift until it reached a crisis stage. The situation was exaggerated by the sudden severity of his September ultimatum, in which the President fixed a deadline for Congressional action on farm policies, making action by himself on the wage front dependent upon such action.² This demand was so posed as to dramatize the conflict between farm and labor policies. Instead of emphasizing the common interest of both groups in preventing inflation, he implied that both farmers and workers could continue to enjoy their peacetime standards of living. Congress met the deadline, but a deepseated resentment appears to have been created which might have been avoided. This resentment was enhanced by the willingness (for example, in the \$25,000 salary limitation) of the Executive branch to stretch its statutory powers to their farthest possible limits.

¹ *Congressional Record*, June 30, 1941, p. 5753; *Price Control Bill*, Hearings of House Banking and Currency Committee on H. R. 5990, August-October 1941, pp. 480-82; 2071-72. In these hearings, Mr. Baruch called for parity but no more, while Secretary Morgenthau declared that the bill's restrictions on the authority of the price administration over farm prices were its "major defect." Even Mr. Henderson did not request straight parity until the Senate hearings in December.

² For a critical analysis of the President's constitutional position in this ultimatum, see Edward S. Corwin, "The War and the Constitution: President and Congress," *Amer. Polit. Sci. Rev.*, Feb. 1943, pp. 18-20.

Not until the new and more severe farm-vs.-labor crisis of April 1943, did the President make a strong appeal for universal sacrifice: "The time has come when all of us—farmers, workers, managers, and investors—must realize that we cannot improve our living standards in a period of total war. On the contrary, we must all cut our standards of living for the duration." It is regrettable that the President delayed so long in taking this stand.

Had the Administration consulted more continuously with Congress on labor as well as farm policy, the growing gap between labor and agriculture might have more nearly been avoided. For Congress would have been allowed to reassume its traditional responsibility of reconciling the divergent claims of conflicting interest groups. It would have been politically much easier for Congress to legislate restrictions on labor and agriculture at the same time than to legislate only against farmers. The American Farm Bureau was, in fact, committed to such "across-the-board" control at one time. And early in the war, an opportunity to solve the inflation problem at its source was lost when the Farm Bureau and the CIO were both advocating an adequately drastic tax program.

Even so, it is probably appropriate here to raise the question as to whether Congress has been serving the short-run or long-run interests of agriculture. No economic group has a greater interest in preventing inflation than does American agriculture. There is considerable evidence that the rank and file of American farmers are well aware of this fact.

Yet Congressional attention has been so much focused on farm incomes and "getting even" with labor that much needed farm policy based on pricing for wartime food production has been sidetracked. Any further gains for agriculture that ignore this latter need almost certainly will be no more

than momentary, since they will immediately become the basis for successful demands for wage increases. Furthermore, farm-state Congressmen and the leaders of organized agriculture cannot afford to ignore the importance of continued urban goodwill. National farm programs have depended, and will continue to depend, upon the present backlog of urban acceptance of the principle of "equality for agriculture." In the long-run interests of American agriculture, this principle must not be abused.

That Congress is at last willing to recognize these factors is suggested by the Senate's recent rejection of the Bankhead parity provision as a rider on the agricultural appropriations bill. The Senate appears to have settled this issue—without pressure from the Administration—on broad grounds of public policy.

PRESIDENTIAL LEADERSHIP IN WARTIME

In the course of our history, the Chief Executive has increasingly assumed the responsibility, not only for formulating a definite legislative program, but for exercising all his influence and power to secure favorable Congressional action upon it. Nevertheless, the Constitution does very little to endow the President with the legal authority commensurate with this role of leadership in the making of legislative policy. Except for his powers of veto and appointment, he must, therefore, ordinarily rely largely upon having the support of a disciplined and dominant party organization in Congress. If, as a result of a shift in public sentiment, he loses this political support, the customary basis of his leadership is cut from under him. It is under just such circumstances that we find ourselves today. Especially since the 1942 elections, Congress is in a position to thwart Executive leadership, while (as we saw earlier) its own attitudes and machinery prevent it from

itself assuming a major responsibility for comprehensive and constructive policy-making.¹

But, in wartime, the office of the President is also the symbol of national unity and its role that of moderator in domestic conflicts of interests.² Since the present war began, the President has failed to take full advantage of this fact. As a result, he has probably needlessly strengthened pro-farm and anti-labor sentiment in Congress. Labor policy made solely by the Executive branch has not commanded adequate confidence and has made farm leaders and agriculture feel that agriculture was being given worse treatment. *Joint* policy by Congress and the Executive on both issues might, on the other hand, have received more nearly universal support. Congressional ability to resist pressure from organized agriculture, and Presidential ability to resist pressure from organized labor, have both been weakened by the rift. Difficult as it undoubtedly would have been, Executive leadership of this nature might at least have been tried. Even at this late date, the President might ask Congress to enact a policy covering both fields, in order that each branch might gain much needed strength for the next round of the fight against inflation.

LEGISLATIVE CONTROL OF ADMINISTRATION

Since the war began, Congress has in turn failed to meet the Executive branch half way. It has stormed against the Executive "bureaucracy," has constantly threatened to cut appropriations of war agencies in an apparently indiscriminate way, and has sometimes written provisions into law which could only serve to hamstring adequate administration.

¹ This sort of Congressional-Executive stalemate has been a recurring problem in American history. President Wilson and President Hoover faced the same problem with Congress during 1919-20 and 1931-32, respectively.

² Compare Herring, *Presidential Leadership*, pp. 119-20; 71-72; 65-66.

In part, this behavior reflects the determination of Congress to demonstrate that it once more holds the upper hand in the governmental "opposition of powers." This is a reaction from the early days of the New Deal, when the President was given the broad powers which he requested and Congress was much criticised for its lack of leadership and careful deliberation. In part, it is a result of recent shifts in party strength in Congress and a jockeying for political advantage in the coming elections. And, in part, it has been due to the growing dissatisfaction with the shortcomings of the Executive branch in its handling of administrative problems. But Congress has appeared to proceed under the delusion that it could make itself popular simply by making the Executive unpopular.

In this process, political enmity and partisanship have undoubtedly been of great importance. For example, elimination of the President's National Resources Planning Board was largely political—and certainly shortsighted—in character. The unsuccessful attempt to make all policy-making positions in war administration subject to Congressional approval (opposed by the Republicans, who would not have shared in the patronage anyway) was of a similar nature. In the fall of 1942, Congressional attacks on "bureaucracy" became so indiscriminate that Senator Taft proposed a vigilance committee among Senate Republicans to check on the drastic actions of the House and decide which proposals for curbing or eliminating governmental agencies had merit and which would cripple the war effort. About the same time, Republican Representative Bolton, a mother with two sons in the services, warned her colleagues that they must lift themselves above bickering and disorder if they were to command the respect of the people.

But Congressional negativism cannot all be laid to "politics." Certainly the absence of adequate machinery by

which Congress may exercise continuous but constructive control of administration is just as important. Once a law delegating vast powers is passed, Congress is poorly equipped to know what is going on—much less to do anything about it. At present, its principal devices for limiting administration are three—its control of appropriations; the possibility of enacting specific limitations on administrative discretion, either in anticipation of—or as a result of—indiscretions;¹ and the use of standing committee hearings and special investigating committees.

The control of appropriations is Congress' most powerful means of controlling administration. But it is an exceedingly cumbersome and negative tool and is useful only at infrequent intervals. Congress commonly lacks the knowledge to use this tool with discrimination. For example, by control of appropriations, Congress forced Mr. Henderson out but failed to recognize that OPA must have sufficient funds to support the large staff necessary for developing satisfactory regulations, for making voluntary compliance effective and for checking violations.

On the other hand, writing details into the law in anticipation of indiscretions has not proven satisfactory. Almost invariably such details do more harm than good: administrators are hamstrung in fulfilling their duties while excesses of administrative discretion are still not effectively prevented. Recent Congressional provisions forbidding OPA to order grade labelling (important though quality control is to effective price control²) and ousting all OPA officials "without business experience" are important examples, with farreaching special-interest implications. And under the parity-price provisions of most farm and food legislation, both the Food

¹ These are often in the form of "riders" on appropriations bills.

² See the penetrating editorial, "Nonsense About Grade Labelling," *Des Moines Register*, July 19, 1943.

Administrator and Price Administrator have lacked sufficiently broad and flexible powers for doing their wartime jobs well.

The hearings of Congressional standing committees usually offer a haphazard and unorganized way of getting details about administration, as well as information upon the basis of which legislation may be drafted. But we have already pointed out how overlapping these committees are.¹ Very little use is made of the time-saving device of joint House-Senate hearings. And, because of their lack of technical assistance, Congressmen are at a decided disadvantage in dealing with the superior knowledge and resources of the administrative agencies. As a result, they are naturally suspicious of the "experts" of the Executive branch, so that Congressional hearings sometimes bear more resemblance to an inquisition than to a fact-finding expedition.

Often, Congressional investigating committees have not made an especially outstanding record either. But, as we saw earlier, the Senate Truman Committee and House Tolan Committee have demonstrated what can be done in the way of critical analysis of administrative shortcomings, and in the formulation of constructive and coordinated legislation, in the various aspects of the war program.

For some decades, trends of government have been such that the all-important details of law-making have become largely administrative. In wartime, such administrative flexibility is absolutely essential. But this very fact makes obvious the need for developing more adequate means for positive control of administration. Coupled with this is the need, previously considered,² for a greater participation of Congress in underwriting or endorsing major policy decisions made by Executive officials.

¹ Above, pp. 40-41, 63-64.

² Above, pp. 76-77, 79, 82.

Chapter VII

TOWARD MORE EFFECTIVE WARTIME GOVERNMENT

The analysis of this study would indicate that many of the shortcomings of the wartime labor and food programs have grown out of the unavoidable difficulties of tackling new and untried tasks under the haste and pressure of a war emergency. But, more important for present purposes, these shortcomings have revealed weaknesses in the governmental framework within which such tasks must be carried out. These general weaknesses in governmental attitudes and machinery have hindered not only the wartime labor and food programs, taken separately, but have created and exaggerated the conflicts between the two programs.

In this concluding section, we shall first summarize these general defects of wartime government which our analysis has tried to bring to light. We shall then offer some suggestions as to how better wartime government might be achieved.

A. SHORTCOMINGS OF WARTIME GOVERNMENT: A SUMMARY

GOVERNMENTAL ATTITUDES

1. *Congress* has not been sufficiently willing to subordinate special interests—whether economic, regional or political—to the all-important national interest. It has been paralyzed by the specter of approaching elections when bold and con-

structive action was needed. It has allowed its time to be frittered away by unimportant things and has been satisfied with piecemeal solutions of overwhelming problems. It has often appeared to lack that sympathetic understanding of wartime labor problems which is so essential to labor morale, while largely ignoring the positive and comprehensive recommendations of its own Truman and Tolan committees in the labor field.

Congress has frequently seemed to take a dog-in-the-manger attitude, unable to assume the role of constructive and coordinated leadership itself but unwilling to accept Executive leadership. It has sometimes refused to back essential war activities with adequate financial support. It has sought to hamstring administrators, failing to recognize the necessity for administrative flexibility in supplementing broad statutory powers with administrative orders and regulations. It has sometimes used the privilege of debate and committee hearings merely as a sounding-board to harass hard-working officials and make generalized attacks on Executive "bureaucracy." It has often lacked that self-discipline so essential to prompt and efficient prosecution of the war effort.

2. *The Executive branch* has, in turn, underrated the importance of public cooperation in making wartime controls work. Administrators have not been sufficiently willing to admit mistakes and have not adequately recognized the devitalizing effect of administrative confusion upon agricultural (and general public) morale. They have tried to postpone crises by temporary expedients when fundamental solutions were needed. The President has appeared to regard the personal loyalty of his administrators as more important than able fulfilment of the tasks assigned. And he has allowed himself to be put into the position of appearing to favor a special-interest group—organized labor—thereby weakening his potentially powerful role as moderator of domestic conflicts of

interest in a nation at war. There has been too little emphasis upon the need for universal sacrifice.

Executive officials have rather generally failed to show the respect which is due Congress as a coordinate branch of government. They have not taken sufficient leadership in preparing coordinated and comprehensive plans to support their claims for additional powers before Congress. By sometimes stretching their statutory authority to the uttermost limit, they have tended to destroy that "good faith" which is fundamental if they are to maintain adequate administrative flexibility. They have overlooked the fact that Congress must be concerned with how such broad delegations of authority are used, and that Congress must play a major role in reconciling conflicts of interests.

3. *The Public* has failed to recognize that, in general, the administrators and legislators of our wartime government have moved as rapidly as they felt the citizenry were willing to go. In part, this has been due to an unjustified public apathy and an unreasonable public optimism as to the future course of the war. In part, it has been due to the natural but deplorable desire of some citizens to sacrifice as little and gain as much as wartime conditions may permit. Some pressure groups and some portions of the national press have played upon this desire to promote their own special ends. Others have, perhaps unconsciously, furthered the American folklore of inefficient "bureaucracy" and crackpot Congressmen which is not only unfair to the hard-working and intelligent majority of the public servants involved, but is highly destructive of necessary public discipline under the essential governmental controls of wartime. Perhaps most important, each local constituency has insisted that its own representatives promote its own special interests—economic, political or regional—while resenting similar activities on the part of the representatives of all other constituencies.

GOVERNMENTAL MACHINERY

1. *Congress* has not created the machinery to assume its share of responsibility for constructive and coordinated policy-making. The standing committees of both the Senate and House have been far too numerous and overlapping. As a result, responsibility has been dispersed in a way that hinders the development of legislative leadership and the adoption of a consistent wartime legislative program. Furthermore, these committees have not corresponded at all closely to the principal fields of war administration, making the development of an efficient working relationship between Congress and the Executive exceedingly difficult.

In meeting the tremendous problems of total war, the special-interest pattern of some of the more important committees, the working of the rule of seniority and the lack of adequate technical assistance have proven to be weaknesses of some importance. The noteworthy Truman and Tolan committees have thus far been more of an appendage than a major part of wartime Congressional organization. In general, there has been inadequate machinery for resisting the unreasonable pressures of special-interest groups, for preventing plain obstructionism, and for constructive legislative control of administrative discretion.

2. *The Executive branch* has, in turn, suffered from major defects in its administrative machinery. There has been a serious overlapping of functions and vague delegation of authority. The President has in some cases failed to appoint strong and bold administrators who can stand the gaff both for himself and for their respective agencies, and has not removed those who fell short of the demands of their offices. The result has been an excessive pyramiding of authority.

Even where the delegation of authority was clear, some agencies (hence pressure groups and the public) have been

uncertain that their decisions, once made, would receive the strong backing of the President. To the extent that administrative agencies have been by-passed in this way, decisions have tended to appear personal, arbitrary and discriminatory, and have prevented administrative policies from crystallizing properly. And orders have repeatedly been made that sounded farreaching and were later qualified to the point of ineffectiveness. Coordinated planning has been lacking.

Finally, machinery has not been forthcoming by which more adequate and continuous channels of cooperation with Congress might be formalized. Such formal cooperation has been needed both to enable Congress to participate jointly with administration in major policy decisions and to guide Congress' reasonable concern for effective legislative control of administrative discretion into a more constructive course.

3. *The Public* generally is expected to exercise its principal influence on the course of government through the ballot-box. But it could undoubtedly have made better use than it has done of such other devices as appeals to party leaders, letters and telegrams to its legislators and administrators, letters to the editor, public forums, and the like. In particular, the general citizenry could have been more vocal in indicating its approval of public-spirited and farsighted leadership in both Congress and the Executive branch.

On the other hand, many citizens are organized into special-interest organizations. They and their leaders have had a far greater opportunity to use their organized strength for the promotion of the national welfare—for instance in maximizing production, preventing inflation, holding down the national debt, and assuring a more satisfactory Congressional-Executive relationship. To the extent that they have failed to persuade their organizations to subordinate their special interests to such broader social ends, they have failed to make those organizations adequate for the important responsi-

bilities they carry—and will continue to carry—in American democracy.

B. TOWARD A BETTER WARTIME GOVERNMENT: SOME CONCLUSIONS

By what changes in attitudes and machinery might the wartime labor and farm programs (and wartime government generally) be improved? In trying to answer this question, this section is not intended to offer any blueprints. Rather, it merely outlines some of the tentative conclusions which the main body of the analysis would suggest as promising directions for change in governmental attitudes and machinery.

SUGGESTED CHANGES IN GOVERNMENTAL ATTITUDES

Without modifying existing legislative and administrative machinery, certain changes in basic attitudes might permit much smoother functioning of wartime government.

1. *Members of Congress* might, as individuals, recognize more fully that the present complexity of our social, political and economic life demands that they exercise an informed independence of judgment in their legislative decisions. They might be more willing to stand their ground against the inconsistent and purposeless opinionating of a Gallup poll as well as the highly consistent and sometimes selfishly-purposeful demands of a pressure group. They might make a greater effort to check "grass root" opinions against those of the leaders of organized groups. This is especially important in wartime, when the rank and file membership of pressure organizations may at times take a broader view of things than do their leaders. By taking thought, they might even capitalize on the fact that, in wartime, the impulse of common purpose upsets the normal apathy of the millions of voters who belong to no organized pressure groups of any kind.¹

¹ Last year's "Bundles for Congressmen" drive and the widespread criti-

Today representative (parliamentary) government is on trial. Its future largely depends upon our having enough representatives who are willing to rest their political futures upon the soundness of their own informed judgments and the courage of their own honest convictions. Only then can we have sufficient subordination of special interests to the general welfare, and sufficient willingness to substitute facts for prejudices, to make democracy survive and prosper.

Furthermore, as Walter Lippmann recently wrote, Congress cannot make itself popular by making the Executive unpopular. The two branches are so linked that each necessarily shares in some measure the fate of the other. Congress cannot monopolize leadership without opening the door to disaster—as it did in the periods following both the Civil War and the War of 1914–18.¹ And mere obstructionism has thus far been one of the most important factors leading to the downfall of other national legislatures in recent world history. Congress might, therefore, more fully recognize the necessity that the Executive branch, and particularly the President, must play an important role in formulating a legislative program and must have sufficient administrative flexibility to handle the tremendous wartime problems at hand.

2. *The President and Executive officials* might give more effort to winning public cooperation by a more careful explanation of administrative policies and by minimizing administrative

cism of X-cards for members of Congress are cases in point. Such spontaneous popular reactions probably reflected general dissatisfaction with Congressional inaction and delay far more than public resentment against Congressional pensions or gasoline rations as such. Yet these episodes undoubtedly heightened the pre-election paralysis in Congress at a time when prompt, courageous and public-spirited action was most likely to be remembered and rewarded at the ballot-box.

¹ See the two notable columns by Walter Lippmann in the *Des Moines Register*, Feb. 24 and March 3, 1943.

confusion. A greater humility, a greater emphasis on the need for universal sacrifice, might do much to make the public feel that Executive officials are of, not above, the people and *all* the people. In particular, the President might take fuller advantage of the fact that his office is the generally-accepted symbol of national unity in wartime and assume more actively the role of moderator in clashes of special interests on the home front.

Members of the Executive branch might, furthermore, show a greater respect for Congress as a coordinate branch of government. They might make it a practice to consult with the appropriate committees of Congress before major executive orders, involving broad questions of policy, are issued. And, when such broad policy decisions are made administratively, Congress might be asked to share in strengthening them in the form of *joint* policy of both branches of government. To an important extent, Executive officials are "expert"-minded and Congress is "anti-expert." Either extreme is unfortunate and can be solved only if the superior fact-finding resources of the Executive are combined with the political consent of Congress—the traditional forum in which conflicts of special interests have been reconciled. On very important subjects (such as the meeting at Casablanca), the President might report to the nation through a joint session of Congress.

Members of the Executive branch might observe more scrupulously the limits of their statutory authority if they are to avoid the necessity of Congressional hamstringing of administration. And the President might be willing to provide his administrators with more adequate and clear-cut powers, and their decisions with stronger backing, while removing those who fail to meet the test of their office.

3. *The Public* might more willingly and actively seek, rather than shirk, its full share of the universal sacrifice upon which

successful prosecution of the war depends. It might better avoid the extremes of pessimism and optimism which are so detrimental to steady and purposeful activity on the home front. It might insist that its special-interest organizations and its public servants harness their energies and strength in the national interest. It and the press might be more discriminating and constructive in their attacks on government "bureaucracy" and the pull and haul of Congress, which are, and must be, the heart of the organization of a democratic government.

SUGGESTED CHANGES IN GOVERNMENTAL MACHINERY

If Congress, the Executive and the Public *all* changed their respective attitudes along the lines just suggested, wartime government might be very markedly improved. But all the defects in wartime government are not due merely to present attitudes. They are probably just as much the result of shortcomings of present governmental machinery, which have themselves helped to shape and give impetus to these unsatisfactory attitudes. Both Congress and the Executive need, therefore, to make certain changes in their machinery by which each could do its own job better and at the same time cooperate more effectively with the other branch.

1. *Congress* might form a Joint Committee on the Conduct of the War, with the Truman and Tolan committees as the nucleus or at least the model.¹ Such a joint committee might be somewhat expanded in membership, possibly with official liaison being maintained with the major standing committees of each house,² and certainly with the Director of the Office of War Mobilization.

¹ Senator Pepper proposed such an over-all committee for the Senate as early as April 1942, but his advice was not heeded.

² The Truman and Tolan Committees have not officially tied in with the major standing committees. Nevertheless, the committee distribution of

Effective conduct of business would require the creation of subcommittees on various phases of the war effort, preferably parallel with those of war administration. But each subcommittee might be organized to give it broad general jurisdiction rather than jurisdiction over excessively narrow special fields, the bane of present committee organization. For example, there might be Subcommittees on Food Production and Distribution, Inflation Control, Industrial Production, and Manpower. An effort might be made to get a suitable balance of special interests—regional; urban and rural; farm, labor, and business—on each subcommittee.¹ Such an organization might emphasize and facilitate comprehensive and broadly-conceived, rather than piecemeal and special interest, policy-making by Congress. Unavoidable overlapping of subject matter, such as food production and food price control or manpower and wage control, could be threshed out by the over-all committee.

Obviously, such a Joint Committee could improve the present arrangement only if the members of the Committee were of like mind and energy to those which have made the Truman and Tolan committees so notable. This might require the subordination of the seniority rule to other more vital criteria for membership.² It would also call for the

memberships on the Truman committee has not been bad. In 1942, three of its members also sat on Military Affairs, two each on Appropriations and Education and Labor, and one each on Agriculture, Interstate Commerce, Finance, Foreign Affairs and Naval Affairs. Of the five members of the Tolan committee, however, only one sat on a major standing committee (foreign affairs). None sat on the Labor committee.

¹ In 1942, three of the members of the Truman committee were from the Northeast, one from the South, four from the North Central states, and two from the Far West. On the Tolan committee, three were from the North Central states, one from the South and one from the Far West.

² In 1942, 7 of the 10 members of the Truman committee were serving their first term, 2 their second and only one his third. Their average

absorption of other existing special committees investigating wartime problems.

The Joint Committee on the Conduct of the War, and its major subcommittees, might have a small staff of experts to provide more adequate technical assistance. Knowledge is power in politics as elsewhere. Our wartime economy, and its government, have become so complex that legislators must have an understanding of problems requiring legislation at least equal to that of the well-informed layman. Greater technical assistance would go far in enabling Congress to fortify itself against the superior policy-making resources of administrative agencies, to cooperate with such agencies in developing more public-spirited and coordinated legislation and to create more satisfactory criteria for judging and controlling administrative performance.

In this connection, major Executive officials might be given the opportunity to participate continuously in the deliberations of the Joint Committee and its subcommittees when affairs relating to their fields of operation are under consideration. Formal hearings might be narrowly limited to cases of actual investigation of administrative officials and agencies. Cooperation in policy-making demands the environment of a round-table or forum, not that of a court-room.

Out of such a Joint Committee, or as a partial substitute for it, Congress might create a Legislative Cabinet and arrange

seniority was less than 5 years, as compared with 8 years for the entire Senate; and 12 and 10 years, respectively, for the Senate Foreign Affairs and Agriculture committees. It is also worth noting that Senator Truman, though chairman, was outranked by two other Democratic members of his committee. Of the Tolan committee's 5 members, the chairman was serving his fourth term and two each their third and second, respectively. Their average service was about 6 years, as compared with 15, 14 and 9 on the House Ways and Means, Rules, and Foreign Affairs committees, respectively.

for it to hold weekly conferences with Mr. Byrnes or the President. Under present circumstances—as a means of promoting national unity and in view of the close political division in Congress—such a Cabinet might be bi-partisan. Such a council would provide a means of continuous contact between the Executive office and Congress. It would allow the President to keep Congressional leaders continuously informed on pressing developments, while these leaders would have, in turn, a more effective channel for bringing the views and reasoned judgment of Congress to bear upon the President. Were the President to try to create such a Cabinet alone, it might be looked upon with some suspicion by Members of Congress. If Congress should try to force it upon the President, it would almost certainly fail. But if the two branches should set it up by mutual action, it would almost certainly be welcomed by the public as a significant step toward greater national unity.

If these several steps were taken, many of the present standing committees could remain dormant for the duration, the Joint Committee recommending wartime legislation directly to the floors of the two houses. In such an event, post-war plans might be laid for reducing the number of standing committees markedly in each house;¹ making their functions parallel with each other and (when they become, or can be made, clear) with the main peacetime divisions of the

¹ In June, 1942, with only 96 members, the Senate had 33 standing committees and 14 special committees. Individual Senators served on 2-11 committees each, the great majority serving on 5-7. Even if one limits himself to the major committees, he finds that one half of the Senators served on three or more and most of the others on two. The House had 47 standing committees and 6 special committees. Because of its very large membership (435), well over half served on only one committee, although some of these served on some special committees as well. Another third of the members served on from three to six standing and special committees.

Executive branch; modifying the present seniority rule¹ and special-interest pattern as the bases for committee selection and leadership; and providing more adequate technical assistance for both Congress and its committees.

Finally, Congress might make more effective the party machinery by which its individual members are protected from the pressures of special interests. Pressure groups often succeed in enacting legislation contrary to the national interest because they are able to isolate and bully individual members and to play off sectional rivalries and jealousies against each other. As it has evolved, American government is party government. So long as it remains so, effective leadership and public-spirited policy-making demand a strengthening—not a weakening—of party controls. The party caucus might be developed to serve this purpose on all major issues of war-time policy. Under the pressure of war, it could even be hoped that party caucuses might, by holding the extremists and obstructionists of each party in line, develop a wider area for bi-partisan agreement than does the present pulling and tugging of individual locally-oriented members.

2. *The Executive branch* might be given a thorough-going overhauling and reorganization. Whether the recent creation of the Office of War Mobilization has in this regard

¹The seniority rule needs to be modified sufficiently to make possible the elimination of gross misfits as committee chairman, the general improvement of committee personnel, greater protection against sectional interests, and greater representation of younger, more progressive and more public-responsive members. At the same time, seniority should continue to carry sufficient weight to lend an element of experience, continuity and stability to the committee system. One possible compromise might be the election of committee chairmen—either by party caucus at the beginning of each term or by the majority members of each committee—from the top-ranking three or four committee members of the majority party. The minority leaders of the various committees might be similarly chosen by members of their own party.

marked the beginning of a new era is still more of a hope than a certainty. When this Office was established, Mr. Byrnes was given "full authority" to direct and coordinate all war agencies and departments. Any doubts as to whether his authority is indeed "full" might be dispelled by bold and far-sighted action on his part and by strong backing of such action by the President. Mr. Byrnes might appoint the ablest men available, inside the government or out of it, to analyse the executive orders establishing the functions and authority of the important war agencies for the purpose of (1) consolidating duplicating agencies in the fields of war production, manpower, food management, and inflation control; (2) integrating the functions of the peacetime Executive Departments and independent agencies with those of the war agencies; (3) redefining the area of authority of each war administrator in order to minimize jurisdictional disputes and appeals to higher authorities; and (4) determining what additional statutory authority is still lacking, in order to supplement present authority with additional legislation. Such a program, by increasing Congressional (and general public) confidence in war administration, might go far in increasing willingness in Congress to grant sufficient administrative discretion to war administrators.

Within the administrative hierarchy, decisions might be decentralized to the extent consistent with adequate coordination, but these decisions, once made public, should be backed to the limit. Subordinate administrators unable to make decisions worthy of such support upon appeal might be removed from office. And those who are able to do so might be told the extent of their assignments and then given enough authority, funds and personnel to do them well. If administrative machinery were better, individual responsibility for shortcomings in administration might be more easily fixed and the removal power wielded with less hesitation. And the

present demoralizing tendency toward personal government might be halted by the greater visibility which would come from a clearer-cut combination of authority and public responsibility.

Administrators might then be encouraged to prepare comprehensive plans in their respective fields for presentation to Congress. They might seek more continuous channels for consulting with the appropriate committees of Congress before major executive orders are issued. Because timing is so important, however, Congress might be further urged¹ to reorganize its committee machinery to facilitate such consultation and might be promised full cooperation if it chooses to do so.

Machinery for making major wartime policy decisions the *joint* product of the Executive and Congress might be developed. This might be done in several ways. First, Congress might be asked to reconcile the conflicts of special interests in the same law. Second, where the needs of administrative flexibility prevent such a step at the outset, Congress might be asked to enact major administrative decisions into law, in order to back them with the full strength of government.²

Finally, the President and Congress might endeavor to make further use, wherever appropriate, of the device of the "legislative veto," exemplified in the Reorganization Act of 1939.³ In its essential features, this device requires (1) that

¹ In early June, Mr. Byrnes announced that he would attempt to reach an agreement with Congress that there shall be one committee of each house on conduct of the war. He proposed that such committees meet with him from time to time, so that problems could be anticipated and dealt with before they become serious (*Des Moines Register*, June 10, 1943).

² In the September price-control act, the first two could have been combined. For the War Labor Board had already handed down the Little Steel formula for wage control which it has since followed.

³ Compare J. D. Millett and Lindsay Rogers, "The Legislative Veto and

Congress indicate generally the end desired and the means permissible for attaining this end; and (2) that, within these limits, the Executive submit the plan it believes best calculated to solve the given problem, provided that any such plan may become effective only if, within a given period of days,¹ Congress shall not, by simple majority vote of both chambers, have "vetoed" it. Such a procedure would give the Executive branch greater flexibility in making decisions, while still insuring Congressional control both of policy and administration. Obviously, the device of the legislative veto could be put to constructive use only if a majority of Congress were willing, on their part, to confine their own initial proposals to the enunciation of broad principles and then to consider the plans submitted by the Executive strictly on their own merits. Like the Presidential veto, the "legislative veto" would also have to be used sparingly to be constructive and effective.

3. *The Public* in general might, of course, be urged to form a general welfare lobby to represent the public interest and the consumer's point of view. But such a step is too nebulous to promise anything tangible in the foreseeable future. Wartime government reforms, of the sort suggested above, must therefore depend largely upon public pressure expressed through whatever organized groups there are now at hand. Such groups are avowedly special interest in character. But perhaps it is not too much to hope that, under the urgency of the war crisis, they can "come of age." To a very important extent, organized industry, labor, and agriculture have now

the Reorganization Act of 1939," *Public Administration Review*, Winter 1941; and Roland Young, *Thus Is Congress*, pp. 210-18.

¹ In the 1939 act, this time limit was fixed at 60 days. However, because of the urgency of many wartime issues, the time limit might have to be cut to 15 or 30 days.

attained such great size that they can no longer, in their own self-interest, ignore their interrelationships with other groups and with government as a whole.

Their machinery might, therefore, be further democratized so that leadership-membership relations could exert more influence toward moderating and broadening group goals and, in case of conflict, subordinating them to the public interest. At the very least, they might set up machinery to examine their own present goals and methods and see if they are consistent with the best short-run and long-run interests of the groups themselves. Increasing dependence upon one or the other branch of government may be a high price to pay, in terms of the future course of American democracy, for the momentary gains of higher profits, wages, or farm prices in the present war crisis.

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The shortcomings of the wartime labor and farm programs have been, in large measure, due to the defects in wartime government itself. In a democracy, "government" means all of us—citizens, pressure groups, the press, legislators, administrators, and "bureaucrats" alike. If, as members of any of these groups, we place all the blame for the shortcomings of wartime government upon some combination of the "other fellows," we are, in effect, admitting our own failures, whether we know it or not.

Because of the intricate interrelationships of all the segments of our society, no one group can avoid its responsibility for some of these shortcomings, for recognizing its mistakes, and for doing all it can to promote better wartime and post-war government from now on. At the same time, the farreaching character of these group interrelationships makes it absolutely essential that *all* cooperate at the same time if victory is to be assured and hastened and if American democracy is to

survive and prosper. If this study has shown anything, it is this: We are all in the same boat. Therefore, if we are to get ahead instead of running in circles, we cannot afford to pull too strongly on either the Right or the Left. Each individual or group must pull his own oar to the utmost of his position and ability. And, above all, *we must pull together.*